



**Just Right: Gaining and Maintaining Brand
Loyalty Through the Lens of K-Pop**

by

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Abstract

Understanding how to build, maintain, and utilize brand loyalty is essential in today's business world. Given increasing competition for a customer's limited attention span, learning how to foster brand loyalty among customers gives a business considerable competitive advantage. This research will examine the impact of firm-level marketing techniques employed by the Korean music industry on consumer brand loyalty. In-depth interviews of K-Pop consumers were conducted in tandem with an online survey amongst a pool of randomly selected, consistent K-Pop consumers to gauge the effects of 1) gamification marketing techniques and 2) exclusive ecosystem marketing techniques on building consumer brand loyalty. The effects will be analyzed using: 1) a thematic analysis of the interview transcripts, and 2) a mediated correlational analysis with firm-level tactics of gamification and exclusive ecosystem as the independent variables, brand loyalty as the dependent variable, and brand community as the mediator variable. Findings from this research will determine whether marketing tactics employed by players in the Korean music industry are effective on customers, and if so, provide incentive for other businesses to pursue similar tactics to build loyalty for their own brands.

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Introduction

In the growing digital age, online shopping and entertainment have become even more integrated into our daily lives. This has created a diverse and competitive ecosystem where customers find themselves overloaded by information and with a variety of options to choose from. With access to millions of choices at their fingertips, the importance of capturing and maintaining consumer loyalty is essential for firms to remain competitive (Nielsen, 2019). In industries where switching costs are low and the saturated market makes competition particularly fierce, firms must learn how to create, maintain, and communicate their unique and differentiated brand value to consumers. One such way to do so is by building strong brand loyalty. The purpose of this research is to investigate whether or not a significant, positive relationship exists between firm-level marketing techniques employed within the Korean music industry - namely gamification and use of an exclusive ecosystem - and brand loyalty. The nature of the relationship will be observed through the mediator variable of brand community involvement (i.e. membership of a brand community assuming consistent levels of engagement). Findings from this research will inform businesses of what types of firm-level tactics customers find effective, and if so, in what ways can they leverage these tactics to build loyalty towards their own brands.

In the big data era that followed the .com bubble, competing businesses are closer than ever in the eyes of customers. Instantaneous and predictive information allow buyers to compare offerings from sellers worldwide using various sources of information including B2C advertising, price comparison websites, online review sites, and more, leading to high brand-switching rates among consumers as a result of activities like brand hopping. This makes it difficult for firms to build effective brand loyalty, and incites a fierce battle between firms to differentiate themselves in both online and offline environments (Srinivasan et. al., 2002, p.41). While the most intuitive

response might be to heavily increase online exposure to their company and interaction with consumers, this method is both draining of monetary and human capital and not conclusively effective. In *Rethinking Brand Loyalty in an Age of Interactivity*, Schultz and Block suggest an exploratory study on how new interactive communication systems, such as online social media platforms, might be used to enhance brand loyalty (p.24). From their research comparing two snack product categories over time, they concluded that there was a substantial growth in the “no brand preference” category; thus, suggesting that brand loyalty can be manipulated with firm-level engagement tactics, and that interactive systems such as the brand communities on social media platforms can both build or destroy said loyalty (Schultz & Block, 2012, p.37).

On the other hand, while the rise of the internet has created more competition, the access to new customer bases provides a compelling opportunity for businesses to target new demographics and expand their loyal customer base. Loyal or repeat customers are incredibly valuable for firms, where 65% of revenue is generated from existing customers (SaaS Scout, 2020). Additionally, customers report spending up to 43% more money on brands they like (SaaS Scout, 2020). Consequently, converting more casual customers to loyal customers can yield tangible benefits for firms by increasing revenue. Thus, it is imperative for a firm to understand the correct mix and depth of the actions and activities they pursue to build salient brand loyalty and remain relevant. When considering salient brand loyalty, the Korean music industry is the epitome of success. On top of having an appealing product, Korean musicians have been able to penetrate the international market at an alarming rate with the help of their loyal fanbase over the last few years. This industry will serve as a case study to analyze the impacts of the chosen firm-level marketing techniques on building such unyielding and active loyalty.

This research paper will adopt an interdisciplinary perspective to create a theoretical framework by analyzing existing literature on brand loyalty, brand community, gamification techniques, and ecosystem-building techniques. The subsequent literature review will demonstrate the motivation of this research by exploring the gap within the existing body of research.

To determine whether these specific techniques cause a significant impact on perceived brand loyalty and, if so, to what degree, a mediation analysis framework will be leveraged to quantify the impact. The effect of firm-level techniques is hypothesized to cause a significant, positive increase in measures of brand loyalty. Furthermore, brand community engagement is hypothesized to be significant in affecting this relationship. To observe this effect, the impact of the independent variable on the dependent variable will be mediated through the degree to which a consumer is engaged with the brand community. Thus, the research goals are to understand the dynamic between firm-level tactics, brand community engagement, and ensuing consumer brand loyalty. This paper will attempt to categorize this dynamic by exploring 1) if the firm-level techniques of gamification and exclusive ecosystem are significant in strengthening brand community engagement, 2) if brand community involvement is significant in strengthening overall consumer brand loyalty, and 3) if the impacts of firm-level techniques on brand loyalty are mediated through brand community involvement. This framework will investigate the potential existence of a relationship between firm-level techniques, brand community, and brand loyalty.

Two studies were conducted to address these research questions. The first study was an in-depth interview among 20 K-Pop consumers to understand the underlying psychology behind their brand loyalty, the types of attributes and emotions associated with the K-Pop brand community, and the motivations behind participating in different marketing techniques. The second study was a survey administered to a random sample of 120 K-Pop consumers to assess the impact of

gamification and exclusive ecosystem building tactics on their feelings of loyalty towards a brand. The findings from both studies were then combined to holistically consider the relationship between firm-level marketing techniques, brand community engagement and involvement, and brand loyalty.

Industry Background: Korean Music Entertainment Industry

Korean music, or “K-Pop”, is a worldwide phenomenon that has gained exponential popularity over the past few years. K-Pop is part of the Hallyu Wave or Korean Wave, the name describing the spread of Korean wave of entertainment across the world. One of the first viral K-Pop songs that managed to break into the Western pop culture was *Gangnam Style*, released in 2012. Since 2013, Korea has become one of only four countries in the world to export more music than it imports (Lindvall, 2013, p.6). However, the expansion of K-Pop into the global music market didn’t truly take root until 2017; a movement spearheaded by leading boy-band, Bangtan Boys (BTS), who crossed over into the United States mainstream market and broke numerous sales records in a short period of time. Interestingly, past studies and interviews have attributed the success of K-Pop in the global music industry to not its Korean-ness, but the lack of it (Russell, 2012, p.6). In fact, popular K-Pop music today is believed to be heavily influenced by Western music, with frequent collaborations with foreign artists, stylists, music producers, and choreographers that have made the industry look eerily similar to its Western counterparts (Jolin, 2012, p.7). This leads us to the following question; if not novel content, is there another driving force behind K-Pop and the Hallyu Wave’s global success?

A major reason for the international success of K-Pop groups, particularly in the West, is believed to be because of the aggressively loyal fanbase (Saeji, 2020). These fanbases, dubbed “fandoms”, are tightly-knit brand communities in which members support their favorite singers by promoting designated fandom colors, organizing fan groups to chant pre-written cheers at concerts, and engaging in letter writing campaigns and demonstrations for more media coverage (Saeji, 2020). A study done by E-commerce aggregator iPrice gathered data from hundreds of K-Pop merchants across Southeast Asia and Hong Kong. The study found that BTS fans spend on average

\$1,422 USD per new release after combining purchases on merchandise, albums and EPs, and concert tickets (iPrice Group, 2020). And with new technology and internet connectivity, this support is no longer limited to physical boundaries. Consequently, despite producing music in a foreign language, Korean music artists are able to conquer the international music market and compete against longstanding music giants. These brand communities are key touchpoints between the brand and the customer, that incubate and cultivate strong brand loyalty through firm-level marketing tactics. Once actionable brand loyalty is established, consumers become essential activists in promoting the brand and increasing brand awareness through Word-of-Mouth (WOM) advertising, which translates into larger market share and increased profitability for companies. Therefore, this makes the Korean music industry a prime example of how businesses are able to construct actionable consumer brand loyalty and use it to improve their overarching performance and lifespan in the industry.

The Korean music industry includes smaller genres like indie, rock, and hip-hop, however the most internationally popular genre, and most lucratively profitable, is K-Pop. Thus, the main focus for this research will be on the K-Pop genre. The Korean music industry is dominated by big record labels such as JYP Entertainment, SM Entertainment, YG Entertainment, and Big Hit Entertainment, under which multiple boy groups, girl groups, and individual solo artists are signed (Lindvall, 2013, p.4). These artists are referred to in the industry as “idols”, and the term brand community refers to the fanbase and accompanying fan ecosystem. Unlike Western artists, Korean boy and girl groups are more popular than solo artists; which can be attributed to the unique training ecosystem and music consumption culture within the industry. From music production and publication, talent discovery, public relations, group formations, and even physical enhancements like plastic surgery, the labels are more aggressively involved in the construction of

each group (Lindvall, 2013, p.4). Thus, the marketing techniques to build brand loyalty are deemed central to the business model of these agencies/labels.

Today, the Korean music industry is a notable contributor to the South Korean economy. K-Pop alone is estimated to generate about 10 billion USD each year, with the boy group BTS accounting for nearly 5 billion USD (“K-Pop to offer support”, 2020). In 2014, SM Entertainment was listed as having the highest profit ratio out of the top 20 largest music enterprises in the world, surpassing giant labels such as Sony-Music, Apple-Music, and Universal Music group (Lee, 2014). In 2019, SM Entertainment brought in global sales revenue of around 658 billion South Korean won, or approximately 595.2 million USD (SM Entertainment Co. Ltd., 2020). The Korean music industry has spurred the development of horizontal tourism sectors as well; such as food, fashion, language education, and retail/online sales (“K-Pop to offer support”, 2020). Even amidst the current pandemic and despite travel restrictions grounding touring opportunities, online consumption and engagement has remained stable and even increased; thus, indicating the price insensitivity and loyalty of the customer fanbase. Moving forward, K-Pop and the Korean music industry is anticipated to continue growing in popularity and offer support to the country’s economy (“K-Pop to offer support”, 2020).

Literature Review

This literature review will draw from marketing economics, sociology, and psychology to provide a comprehensive overview of the impact of firm-level marketing techniques on establishing brand communities and ultimately building brand loyalty. Important concepts such as gamification, exclusive ecosystem, brand community, and brand loyalty will be defined. The discussion will begin with an exploration of the importance of loyalty and different measures associated with building it. Next, the concept of brand community from a social identity perspective will be discussed, before outlining the different measurable attributes of brand community from both a business and consumer stance. Finally, gamification and exclusive ecosystem building will be defined before reviewing their importance within the larger marketing discourse. The goal of this literature review is to investigate prior relevant research and identify the gap within literature that provides the basis for this paper— that is, gauging the unique impact of firm level activities in building brand loyalty through the mediator concept of brand community.

1. Literature Review of Brand Loyalty

1.1 Origins of Brand Loyalty

Brand loyalty is the positive association consumers attach to a particular product or brand and is typically demonstrated by repeated purchases despite competitor's attempts to lure them away. Loyal customers are less sensitive to price or convenience factors than other customers, thus making them incredibly valuable for any business. The concept of brand loyalty draws its origins from the multi-faceted marketing approach of holistic marketing. Holistic marketing is defined as an approaching marketing through 4 main perspectives: internal, integrated, performance, and relationship marketing (Lucassen & Jansen, 2014, p.195). Specifically, in relationship marketing, brand loyalty can be understood as a function of consumer behavior and driven by repeat purchases

and low switching intention (Lucassen & Jansen, 2014, p.198). Thus, the main driving force behind brand loyalty is unique perceptions of value given to the consumer by the brand compared to competing brands. To build these perceptions, however, requires the creation of emotional attachment to the brand on the part of the consumer (Tartaglione, 2019, p.2). The emotional involvement creates an affective commitment towards repurchase, spreading positive reviews, and not visiting competitors (Han et al., 2018, p.87). Overall, the key difference between loyal and non-loyal customers is that loyal customers are willing to overcome obstacles, such as out-of-stock or enticement from competitors, that prevent them from buying a brand (Han et al., 2018, p.87).

Building salient brand loyalty is difficult, especially in the current marketplace where competition increased exponentially as a result of the rise of e-commerce and instantaneous online information sharing. The opening of a marketplace not only offline and online, but domestically and internationally as well has completely revolutionized the traditional consumer experiential journey and has caused a trend of decreasing consumer loyalty. Jiska Eelen and colleagues' research studies the effect of an emerging online brand ecosystem on a consumer's willingness to engage in word-of-mouth (WOM) communication, particularly electronic word-of-mouth (eWOM). Recognizing that interpretations and effectiveness of brand loyalty on consumer behavior may be different in online vs. in-person environments, their research seeks to understand whether such a difference exists by examining the effects of different phases of brand loyalty on encouraging both eWOM and in-person WOM (Eelen et al., 2017, p.874). To do so, they conducted a series of three studies analyzing survey data of respondent's opinions of ten brands across diverse consumer packaged goods (CPG) product categories collected from a marketing agency member panel. They concluded that there is a significant difference between fostering brand loyalty by in-person WOM compared to eWOM, where in-person is influenced more by the

cognitive and affective phase of brand loyalty (i.e. brand awareness and familiarity) and online is influenced more by individual engagement and commitment towards sharing their feelings and opinions about a brand (i.e. self-brand connection) (Eelen et al., 2017, p.889).

While this research provides insight as to the motivation behind generating brand loyalty in an internet economy, the influential factors that affect brand loyalty proposed by Eelen and colleagues are limited only to the scope of individual consumers. The goal of this paper is to explore whether firm-level activities are conducive in creating such an environment that would strengthen feelings of brand loyalty through engagement and involvement; and whether said strengthening would multiply if the relationship were not limited to business-consumer but rather consumer-consumer-business through the establishment of a brand community.

1.2 Measures of Brand Loyalty

Brand loyalty can be broadly divided into two classes: attitudinal and behavioral loyalty. Attitudinal loyalty refers to the psychological aspect, which gauges a consumer's willingness to recommend the brand to other customers (Kursunluoglu, 2011, p.53). On the other hand, behavioral loyalty refers to the behavioral actions of consumers that indicate loyalty through low switching intentions, such as by making repeat purchases (Cossio-Silva et al., 2016, p.1623).

A consumer's journey to brand loyalty can also be evaluated through a cycle of phases, where the completion of a cycle indicates both strong attitudinal and behavioral loyalty. As shown below in figure 1, McMullan and Gilmore proposed 4 phases of which a consumer's loyalty to a brand can be observed: cognitive phase, affective phase, conative loyalty, and action loyalty (2003, p.232). For the purposes of this research, the desired respondent sample is already expected to have passed the cognitive and affective loyalty phases. Thus, the scope of this research will be narrowed to focusing on increasing consumer measures of conative and action loyalty.

Figure 1: Phases in the Development of Customer Loyalty and Associated Characteristics

Phase	Antecedents	Sustainers	Vulnerabilities
Cognitive ↓	Accessibility Confidence Centrality Clarity	Cost Benefits Quality	Cost Benefits Quality
Affective ↓	Emotions Moods Primary Satisfaction	Satisfaction Involvement Affect, Liking Preference Cognitive consistency	Dissatisfaction Persuasion Trial
Conative ↓	Switching costs Sunk costs	Commitment Cognitive consistency	Persuasion Trial
Action	Inertia Sunk costs	Persuasion Trial	Persuasion Trial

Citation: McMullan, R., & Gilmore, A. (2003). The conceptual development of customer loyalty measurement: A proposed scale. *Journal of Targeting, Measurement and Analysis for Marketing*, vol. 11(3), 230-243.

Cognitive phase: The cognitive phase is associated with customer awareness of and primary associations with the brand. In this phase, customers begin building brand loyalty on the basis of degree of brand accessibility, level of confidence in the certainty of a brand’s evaluation, relational alignment between a brand and the individual’s value system (centrality), and clarity of the brand offerings and value compared to competitors (McMullan & Gilmore, 2003, p.233).

Affective phase: The affective phase occurs after a consumer has tried the product or service and may evaluate their experience (p.234). The consumer compares their actual experience with their perceived notions built in the cognitive phase, and subsequent decisions on brand satisfaction, liking, preference, and cognitive consistency are identified. Emotions play a key role during this phase, where stronger emotions can result in more extreme loyalties, especially before a behavior becomes habitual.

Conative phase: The conative phase is characterized by the consumer’s level of commitment, intention to buy, and consistency of their beliefs about the brand (p.234). This phase is when the impacts of brand loyalty can be physically observed and measured. Despite positive associations

with the brand, consumers in this phase are still subject to switching costs and sunk costs due to expectations; in other words, competitors can still poach customers during this phase.

Action phase: The action phase indicates the strongest level of brand loyalty of a consumer. This phase is characterized by inertia, or the consumer's contentment with a brand to the degree where their information-seeking for substitutes has diminished, and they are more likely to be active promoters of the brand (p.235).

Scholars Back and Parks in their research paper, *A Brand Loyalty Model Involving Cognitive, Affective, and Conative Brand Loyalty and Customer Satisfaction* also pulled from both attitudinal and behavioral brand loyalty constructs, as well as the four-phased brand loyalty cycle, to develop a robust brand loyalty measurement in the lodging industry (2003, p.419). They conducted an experimental study, surveying business travelers staying at an upper-class business hotel, to understand the significant indirect impact each antecedent (i.e., accessibility, confidence, centrality, etc.) marked under each of the four cycle phases played in generated attitudinal and behavioral loyalty, respectively (Back & Parks, 2003, p.426). From their research, Back and Parks concluded that customer satisfaction had a significant indirect impact on behavioral brand loyalty when mediated by attitudinal brand loyalty, across all four phases of the brand loyalty cycle (2003, p.431). In other words, customer perceptions and emotional feelings towards a brand are a better measurement indicator of brand loyalty than merely frequency of repurchase (2003, p.432). This sets the ground for further research into whether firm-level tactics can be applied to not only encourage physical tangible behavior but also manipulate customer perceptions towards a brand; and if so, which tactics are most effective. This paper will mimic the mediation framework employed by Back and Parks to explore whether firm-level tactics have a significant impact on brand loyalty in the Korean music industry. This will be done by observing what occurs when

customer perceptions and levels of commitment towards a brand are manipulated by firm-level marketing tactics through the mediator variable of brand community.

2. Using Social Identity Theory to Understand Community Engagement

With the creation of the internet came the rise of modern marketing, which completely revolutionized that way we understand brand communities and community engagement. Now, community is no longer restricted by geography. Rather, feeling a sense of shared social identity becomes the common tie amongst community members (Muniz & O’Guinn, 2001, p.413). To understand the underlying motivations behind the creation of brand communities, the phenomenon can be viewed through the lens of social identity theory. Social identity theory, first introduced by Tajfel and Turner in 1979, posits that people often define their own identities by their connections with different social groups or organizations they are a part of, thus creating group membership imbued with positive aspects (p.1781). Furthermore, the creation of these group identities leads to the co-creation of one’s “in-group” and the competing “out-group”, where individuals have the tendency to see their in-group with a positive bias (Tajfel & Turner, 1979, p.1781).

2.1 Social Theory in Brand Communities

Drawing from the discourse of social theory, marketing researchers have extended the concept of community to classify the existence of a brand space in which customers can “develop [a] customer-company identification, or the extent to which customers perceive themselves as sharing the same self-definitional attributes with those companies” in a positive context (Lam et al. 2010, p.8). Most recently, previous research has been conducted measuring the effectiveness of online brand communities (OBC). Research indicated that social capital was hypothesized to be a pertinent factor with the propensity to enhance the quality of relationships within a community and predict its ongoing success (Meek et al., 2019, p.235). An empirical social capital scale specific

to online brand communities was developed and administered, yielding results that identified social capital in OBCs as a reliable and stable community measure, where social capital is a multidimensional construct determined by the degree of shared language, shared vision, social trust, and reciprocity demonstrated within the community (p.243). The recognition of these four attributes in generating social capital, and thus enhancing the brand community experience, provides a crucial method of measuring a concept as intangible as brand community.

Despite its ambiguity, however, understanding how to build a brand community is essential as it is a powerful asset for businesses; affording them the mechanism to foster loyal relationships with consumers, generate immense consumer engagement, and collect primary marketing intelligence (Meek et al., 2019, p.234). Additionally, measuring the direct impact of firm-level techniques on brand loyalty ignores the possibility of other variables that might affect the strength or weakness of said relationship. Thus, a proper environment in which the relationship can be tested, observed, and measured is required. Brand communities provide an organic consumer ecosystem in which researchers can observe the impact of firm actions and subsequent consumer reactions. Though this paper establishes a strong link between brand community and loyalty, it makes the critical assumption that applicable firms already have an established brand community to draw from. Thus, this research will explore the impact of firm-level techniques on increasing brand community engagement and involvement that would be conducive in generating brand loyalty as a powerful asset.

2.2 K-Pop Brand Community

In line with the social identity theory, the concept of Community of Practice (CoP) is the most recent theory that addresses community formation and interaction. A CoP is defined as a group of people who share common passion or concern for something they do, and consequently

learn how to do it better by interacting with other members regularly (Malik & Haidar, 2020, p.3). Using this theory as the core theoretical framework, Malik and Haidar explore the Twitter-based online fandom community, dubbed stan Twitter, of K-Pop as a case study for CoP (2020, p.1). Using a mix of qualitative semi-structured interviews and participant observations to collect data later analyzed using qualitative coding, Malik and Haidar concluded that K-Pop stan Twitter possesses the characteristics necessary for it to be deemed a working CoP, identifying it as a valid brand community. Members form interpersonal bonds, communicate regularly, and create a close-knit community where individuals can contribute to the fandom at large based on their own capacity (2020, p.8). This provides the necessary motivation behind using brand community in the Korean music industry as a significant mediator variable by which to observe the effects of firm-level tactics on brand loyalty.

3. Brand Community: Shared Consciousness and Moral Responsibility

According to Muniz and O'Guinn (2001, p.412), brand community is defined as "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand." Though multiple definitions for community exist, a review of sociology literature reveals the existence of at least three key markers of community: shared consciousness, moral responsibility, and the practice of rituals and traditions. These three core attributes are what drive the creation and perpetuation of any community.

The first attribute introduced by Muniz and O'Guinn is shared consciousness, which is defined as the degree to which community members feel a significant connection to not only the brand, but more importantly other members within the community (2001, p.418). This connection is contrived of a sense of knowing and responsibility to one another, despite never having met, that makes them similar to one another and separate from those outside the community. This measure

of brand community is primarily built by the community members themselves (Muniz & O'Guinn, 2001, p.418). For example, a technique employed by members that build shared consciousness within the community is legitimacy assessment; a process by which members differentiate true members from fake members who are using the brand for the wrong reasons. This is because of the nature of brand communities where, despite typically being open organizations, they are internally supported by implicit status hierarchies among members themselves. Differentiating between members, if done correctly, can create healthy competition among fans and motivate them to be more involved in the community. This increases exposure, dedication, and ultimately feelings of connection towards the community at large.

Muniz and O'Guinn also cite moral responsibility as a second attribute by which the saliency of a brand community can be measured. Moral responsibility refers to a sense of duty to the community as a whole, and to individual members of the community (2001, p.424). Such actions are what incite collective action and encourage cohesion within the group. Similar to shared consciousness, Muniz and O'Guinn take the perspective of individual members instead of the firm when determining how to best create and build a brand community. Two techniques employed by community members to build moral responsibility include integrating and retaining members, as well as assisting others with the consumption of the brand. These two attributional measures are similar as to those found in online brand communities mentioned in the previous section. Thus, the concept of shared consciousness and moral responsibility can be understood as valid measures of brand community both in an online and offline environment.

From their research, Muniz and O'Guinn define shared consciousness and moral responsibility from the perspective of the community members. This research paper will draw from the same theory, but also delineate from the traditional framework by adding another dimension

that introduces the impact of firm-level tactics on driving member behavior. This study aims to challenge the claim that measures of shared consciousness and moral responsibility are primarily built by community members themselves. For example, this paper will attempt to prove that firms can actively build shared consciousness through specific marketing tactics, such as exclusive ecosystem while will be discussed later in the literature review. In theory, marketing tactics can be used by firms to create situations for brand community members to rally under the sense of a shared goal, which ultimately provides a sense of meaning to the community. Hence, this paper aims to analyze the effect of firm-level techniques on encouraging brand community engagement by inciting members to actively take part in building shared consciousness and moral responsibility.

4. Firm-level Strategy: Gamification Techniques

The term gamification was first coined in Zichermann and Linder's novel, *Game-Based Marketing: Inspire Customer Loyalty Through Rewards, Challenges, and Contests*, who defined it as, "the art and science of turning your customer's everyday interactions into games that serve your business purposes." (Zichermann & Linder, 2010, p.20). The process itself is not subject to one particular technique, but rather encompasses a large number of systems and design principles that are used to engage, motivate, and influence customers to drive desired behaviors or intentions (Nicholson, 2012; Deterding et al., 2011). Thus, the use of game design elements can also be used in non-traditional contexts as well, such as in marketing or advertising (Deterding et al., 2011). Gamification can be holistically understood as any type of activity or tactic employed by a business that uses a game and reward design to deepen customer engagement and familiarity with the brand, and potentially increase the likelihood of building brand loyalty (Dubois & Tamburrelli, 2013, p.660).

Huotari and Hamari, in their 2012 research paper exploring the concept of gamification in marketing, build upon this understanding by establishing gamification as not only a firm-level marketing technique that can influence consumer behavior, but as a central strategy of a firm's business model. The aim of their research was to add to the understanding of gamification as an important firm-level tactic by tying it into service marketing theory and proposing a concrete definition of gamification as a marketing technique. To support their argument for the need of a definition of gamification in marketing literature, their research identified that gamification benefits firms by making the customer a co-producer of the service, making them feel more responsible for the brand or service and increasing their likelihood of long-term loyalty (2012, p.26). In conclusion, Huotari and Hamari's proposed definition of a gamified service, and the one by which this research paper will follow to define gamification tactics in the Korean music industry, is "a service package consisting of a core service and an enhancing service that supports gameful experiences" (Huotari & Hamari, 2012, p.29).

Hsu and Chen expand upon the connection between gamification and marketing by connecting gamification tactics to the long-standing marketing concepts of engagement, brand loyalty, and brand awareness (2018, p.123). Gamification engages the consumer through means of psychological investment in the participation process (i.e. cognitive engagement) to increase brand knowledge, awareness, and positive brand image as a function of recall, recognition, perceptions, and associations of a brand (Hsu & Chen, 2018, p.123). This has the potential to build both attitudinal and behavioral loyalty though to what degree remains unknown. Furthermore, gamification can drive positive consumer behaviors such as brand loyalty, positive word-of-mouth generation, and resistance to negative information (Hsu & Chen, 2018, p.124). All of these combined may indicate a strong consumer-brand relationship, where external, competitive actions

are less effective in diminishing a consumer's view of the overall brand and likelihood of consumption.

The effects of gamification techniques employed by firms in a real-life campaign on consumer brand loyalty was studied by Richard Larsson, specifically in the industry of sports and fitness motivation. Using Nike as a case study, Larsson researched the effects of Nike gamification campaigns – Nike+ Fuelband, Nike+ Running, Fitbit One, Fitocracy, and Zombies, Run – on the dedication and commitment of a consumer to the brand (2013, p.12-14). The study observed the effects of an external motivation, i.e. firm-level tactics such as gamification, on increasing an individual consumer's internal motivation over time (Larsson, 2013, p.1).

Similarly, this research in this paper aims to explore whether the same conclusions hold true across industries by exploring the impact of gamification techniques on building internal motivation and commitment towards a brand, and thus strengthening brand loyalty. Within K-Pop, similar gamification tactics and campaigns are launched to strengthen consumer engagement and involvement. In specific, gamification tactics that relate to building the presence of a K-Pop brand community and self-connection towards said community will be observed; an example being the distribution of exclusive tickets to fan-meeting events where each album purchase is equivalent to one entry (Soompi, 2016). The gamification tactics explored will include, but not be limited to, physical products similar to Nike + Fuel, the participation in an intangible point system where participation in the brand community ensures more points and prizes, and more. Previous literature has shown that gamification techniques have the potential to increase consumer engagement, and thus feelings of familiarity and connection with a brand. However, there has not yet been any literature quantitatively assessing the impact of firm-level tactics on loyalty in a measured

experiment – the relationship has only been explored through qualitative interviews. This research aims to fill in this identified gap.

5. Firm-level Strategy: Exclusive Ecosystem Techniques

Exclusive ecosystem marketing techniques refer to any activity a firm engages in to create a distinction between those within and those outside of their brand community; crafting a unique culture within the community that makes participation a novel and exclusive experience for members (Bergvall, 2005, p.166). These cultural underpinnings are what create the sense of “us” and “otherness” and drive meaning to a member’s involvement within a community (Bergvall, 2005, p.176). In order to create an exclusive ecosystem, some common marketing tactics employed by the K-Pop industry include use of community-specific jargon and release of exclusive behind-the-scenes content to increase a customer’s psychological sense of belonging and perception of being “chosen” to participate, increasing their levels of commitment to a brand (Oh & Park, 2012, p.378).

In Pinar and colleagues’ 2011 research paper studying the utilization of a brand ecosystem framework for branding in higher education, students’ perception of the brand and assimilation into the university brand community was measured as a function of school-wide marketing tactics. Such tactics included the use of insignia brand across the university, knowledge of school spirit chants at sporting events, and use of school color(s) to create an exclusive ecosystem and strongly align students as a member of the university community (Pinar et al., 2011, p.732). Overall findings suggest that both core and supporting value-creating activities work together to create unique student-learning experiences and strengthen the university brand equity (Pinar et al., 2011, p.735). The paper ends with a call for further research to measure whether the strengthening of brand equity and community can yield tangible benefits for universities and other firms in areas such as

increased brand loyalty. Thus, the aim of this paper's research is to explore this gap by determining whether firm-level exclusive ecosystem tactics, such as those employed by the university, can effectively build community engagement and subsequently strengthen consumer brand loyalty in the Korean music industry.

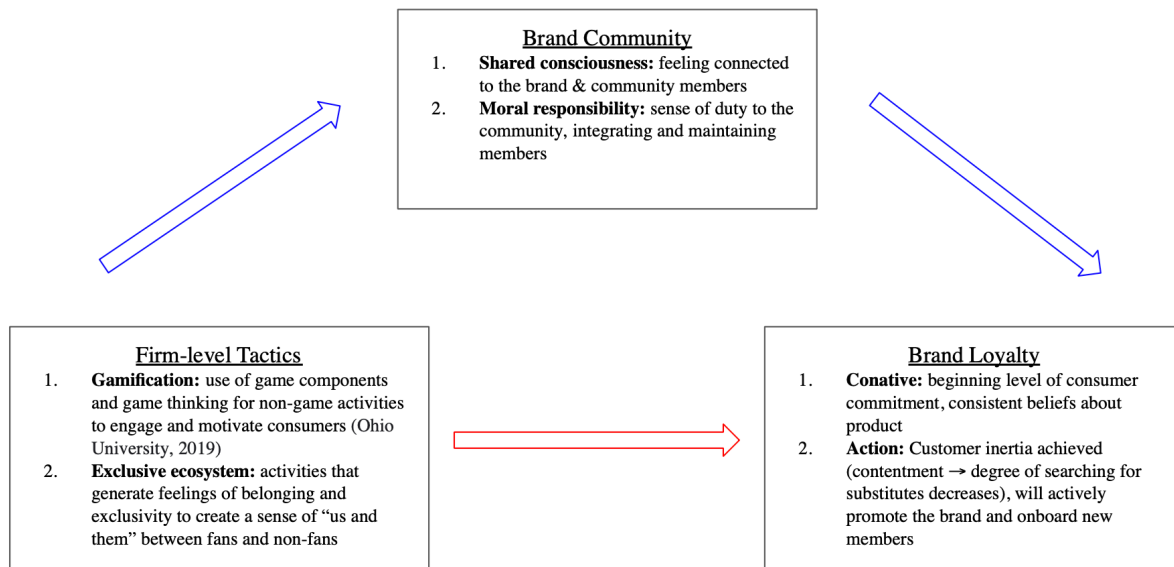
As of now, there exists little literature testing on the measurable benefits that the use of exclusive ecosystem tactics can yield for a firm, and even less so on how they can strengthen brand loyalty. The proposed argument in the existing body of literature is that strengthening a consumer's emotional attachment and commitment to a culture ensures their level of brand commitment is less sensitive to both macro and micro-level changes. Thus, this paper aims to explore how exclusive ecosystem building techniques can be implemented by firms in order to yield maximum consumer engagement towards the larger brand community and whether the involvement in said community is significant in generating higher levels of consumer brand loyalty

Theoretical Framework

Based on the literature review, the following framework was derived from previous understandings and research on measures of brand loyalty, measures of brand community engagement, and the most prevalent firm-level marketing tactics used in the Korean music industry. A mediation analysis will be used as the theoretical framework linking firm-level techniques (independent variables X_1 and X_2) to brand loyalty (dependent variable Y). The relationship will be observed through the mediation variable of brand community involvement (mediation variable M). This analysis is based on Baron and Kenny's variable mediation analysis (1986) which seeks to understand the underlying mechanisms, or the mediator variable, of the relationship between independent variable(s) X and dependent variable Y .

This framework proposes firstly that firm-level tactics, such as gamification and exclusive ecosystem, have a positive correlational relationship with brand community engagement among K-Pop consumers. Secondly, that there exists a relationship between a consumer's brand community involvement and feelings of brand loyalty; of both the conative and actionable kind. Thirdly, this triangular relationship will provide compelling evidence to suggest that an indirect, mediated relationship exists between firm-level tactics and consequential brand loyalty, indicated in the conceptual framework below.

Figure 2: Proposed Mediation Framework between Firm-level Tactics and Brand Loyalty



Firm-level Techniques: Gamification and Exclusive Ecosystem

Firm-level techniques and tactics are defined as tangible marketing efforts whose impact can be measured and quantified. These tactics are enacted solely by the firm; however, the results are posited to be effective only once met with the involvement of organized consumers (i.e. brand communities). Gamification and exclusive ecosystem marketing techniques were chosen as the two representative firm-level actions because of their deep integration into the Korean music industry business model (Pratamasari, 2017, p.221). The following list of marketing tactics listed under the categories of gamification and exclusive ecosystems is meant to be illustrative and not exhaustive. Based on the scenarios in this list, participants were asked to select which of the following firm-level activities they have participated in/been exposed to and to rate their subsequent feelings of self-connection and loyalty to the community, brand, and company as a result of said activities. This list was composed based on a qualitative analysis of online K-Pop communities, websites, and interviews with current fans and community members.

Gamification:

1. *Winning exclusive event tickets:* Purchasing albums will provide one entry into a lottery system to win fan-meets or fan-sign events with idols.
2. *Badges and leaderboards on K-Pop websites to encourage members to interact:* To unlock a badge on Allkpop, you have to comment on the article, like it on Facebook, and then share through Twitter to be rewarded with exclusive badge. Winning a badge allows participants to a) show dedication to other community members and b) enter into competition to win signed merchandise.
3. *Randomized photocard placement in albums:* The strategic placement of random photocards in every album release. This “lucky box” tactic mimics a game-like scenario that encourages fans to purchase more albums in order to win a specific photocard.

Exclusive Ecosystem:

1. *Unique fandom language:* Perpetuated membership identity through use of special fandom names, fan-chants, and community slang.
2. *Exclusive behind-the-scenes material:* Releasing exclusive content only accessible to fans who download a specific app or join an online fandom community.
3. *Collection of virtual and physical goods:* light sticks, different version of albums with randomized photocards (incentivize multiple purchases), fandom members also create and sell goods to promote their favorite artists.

Central Assumptions of Brand Loyalty and Community

The central assumption to be challenged in this paper is that the influence of firm-level marketing tactics on consumer brand loyalty is unaffected by a consumer’s brand community engagement. While there has been previous research linking firm-level tactics to strengthening

consumer engagement and involvement within a community, and separately consumer engagement and involvement in a community to generating brand loyalty, there has yet to be research conducted that links the entire chain together through a mediated analysis.

Additionally, this paper seeks to propose the relative importance of analyzing the effects of firm actions on brand loyalty through the mediator variable of brand community involvement. The purpose of this mediator is to observe an environment in which firm-level actions and consumer brand loyalty coincide; brand communities are places in which the firm and consumers collaborate and interact. Previous research from scholars has suggested a positive correlation between strong brand community and strong brand loyalty. Thus, such a place can be used as an organic environment to view the effects of a firm's actions on building positive consumer brand loyalty. Under this assumption, the first hypothesis of this paper is that there exists a relational link between firm activities (gamification and exclusive ecosystem) and brand community engagement, where engagement is positively affected by the actions of the firm. Relatedly, the second hypothesis of this paper is that brand community involvement is significant in determining consequential brand loyalty. Lastly, the third hypothesis will test whether the observed effects of firm-level tactics on consumer brand loyalty are mediated through the degree to which a consumer is engaged and involved in the brand community.

Hypothesis 1: Firm-level tactics have a significant, positive correlational relationship with brand community engagement and brand loyalty.

Hypothesis 2: Brand community involvement has a significant, positive correlational relationship with brand loyalty.

Hypothesis 3: The effectiveness of firm-level tactics on brand loyalty are mediated through brand community involvement.

Proposed Scope of Brand Loyalty and Community

Given the scope of the proposed research design, limited to those who already have a working brand awareness of K-Pop, this paper will be focusing on the creation of conative and actionable brand loyalty, derived from McMullan and Gilmore's four-phased brand loyalty cycle framework (see Figure 1). These are the two phases in which emotional attachment and actionable brand loyalty is being built, as opposed to the two previous stages which are primarily concerned with building brand awareness, a precedent to brand loyalty.

Brand community engagement will be defined in this research paper as a product of two attributes taken from Muniz and O'Guinn's brand community framework discussed in the literature review. The key assumption drawn from Muniz and O'Guinn used to motivate and underpin this paper's theoretical framework is that brand community, and the different techniques in building such communities, are in part affected by the actions of community members. In other words, the central implication of this paper's theoretical framework operates off the assumption that community members are active participants in building brand communities – and that they aren't just affected by firm-level decisions. Based on this assumption, brand community will be used as the mediator variable between firm-level techniques and brand loyalty. For the purposes of this research, shared consciousness and moral responsibility will be the two attributional measures of brand community engagement as they can be measured in both an online and offline ecosystem. The second key assumption draws from Raies and colleagues' findings proposing that high levels of two of three commitment dimensions are needed to generate high engagement in a community (2015, p.2365). Of the three mentioned, affective commitment aligns with Muniz and O'Guinn's proposed attribute of shared consciousness while normative commitment aligns with moral responsibility (p.2634).

Methodology

Design

1. Study 1: In-Depth Interview

A series of 20 in-depth interviews were conducted amongst global fans ages 18-36 to understand the underlying motivations and emotions towards the K-Pop industry, fan-brand dynamic, and fan-company dynamic. Each respondent was asked 20 different open-ended questions, and each question was divided under 5 sub-sets. The sub-sets were as follows: general experience, fan-to-community engagement, fan-to-company engagement, gamification, and exclusive ecosystem. Please see Appendix 1 for reference.

1.1 Distribution and Sample Screening

Participants were sought through advertising distributed through a diverse set of online social media platforms, such as but not limited to Instagram, Twitter, and Facebook, in order to capture a wide sample. Before each interview was conducted, two screening questions were asked in order to confirm that the participant was over the age of 18 and was a current consumer of K-Pop content.

1.2 Analysis

Each interview was scheduled and conducted through the online communication platform, Zoom. The interviews were recorded for transcribing purposes. Prior to the interview, each participant was read a short introduction indicating the nature of the interview and gave consent for the vocal conversation to be recorded. After recording and prior to transcription, each video file was given a randomly distributed codename for privacy protection. After transcription, each interview video file was deleted.

The first sub-set of questions, the general experience category, asked about the participants experience as a fan in the K-Pop industry, their typical consumer behavior, and their degree of interaction and involvement as a consumer (Appendix 1). The second and third sub-sets, fan-to-community and fan-to-company engagement, asked a series of questions related to the dynamic of consumer relationships between different players in the industry, as well as common trends and attitudes that might affect how loyalty is perceived and demonstrated. The fourth and fifth sub-sets, gamification and exclusive ecosystem, aimed to identify different instances where each marketing tactic would be used by a firm in the industry. The fourth and fifth subsets also attempted to understand whether consumers view these marketing tactics as effective, who might be most susceptible to said tactics, and the types of emotions evoked by a consumer's participation. Thematic analysis was used to identify keywords, convergences, and divergences in response amongst all participants. These insights were then viewed holistically to identify overarching trends related to the K-Pop industry, community, loyalty, and firm-level marketing tactics.

2. Study 2: Online Survey

An online survey was conducted to observe behavioral patterns and emotional response of active K-Pop consumers in relation to brand community and loyalty. Excluding the two screening questions, a series of 23 questions were asked of respondents in the format of multiple choice, Likert-scale, and short answer responses.

2.1 Distribution and Sample Screening

The survey was distributed through existing online K-Pop community pages, such as groups on social media applications like Facebook, Instagram, Tumblr, and Twitter. As the survey links were mass distributed online, two screening questions were necessary to ensure respondents are qualified to complete the survey. The screening questions assessed the following: 1) whether

the respondent is an active consumer of K-Pop content, and 2) whether the respondent is 18 years or older. Both conditions must be satisfied in order to validate their ensuing survey response.

2.2 Analysis

After the initial screening questions, the survey was administered. The survey aimed to assess behavioral questions and capture past experiences and feelings towards gamification and exclusive ecosystem techniques. This section contained a mix of both quantitative and qualitative survey questions (Appendix 2). The purpose was to determine the internal motivations behind each respondent and evaluate what they consider important to them in choosing a brand to be loyal towards. The survey questions assessed whether respondents have experience with each tactic, their consumption habits, what their preferred methods of interaction with brands in the Korean music industry are, and what factors they deem important in making them stay loyal to a brand.

Brand community engagement was measured using Baldus and colleagues' proposed questionnaire as a foundational source to assess participation in brand communities. Further drawing from Muniz, O'Guinn, and Meek's attributional measures of brand community mentioned in the literature review, the 11 intrinsic motivations tested by Baldus et. al. to either the attribute of shared consciousness or moral responsibility in order to measure their impact were allocated (Appendix 3).

As described in the preceding literature review, there are typically 4 stages of brand loyalty; cognitive, affective, conative, and actionable. For the scope of this research, as the target demographic are consistent K-Pop listeners who have already achieved stages of cognitive and affective loyalty, the study only measured for conative and actionable loyalty. The study used McMullan and Gilmore's pilot brand loyalty questionnaire as a baseline, altering the phrasing of the original 15 questions evaluating consumer ego involvement, purchase involvement, and brand

commitment to fit the Korean music industry (Appendix 4). To further assess actionable loyalty, an additional net promoter scale was included to assess consumer willingness to advocate for the brand and their individual level of maneuverable brand loyalty. Following each statement, the respondent was asked to assess their feeling towards brand community and brand loyalty on a Likert scale of 1 (extremely agree) to 7 (extremely disagree) in response to the technique described in the aforementioned statement.

The final section contained demographic questions to use as a subsequent level of respondent profiling for data analysis. The demographics sections asked respondents to select their age, gender, ethnicity, and current geographic location.

Measurement

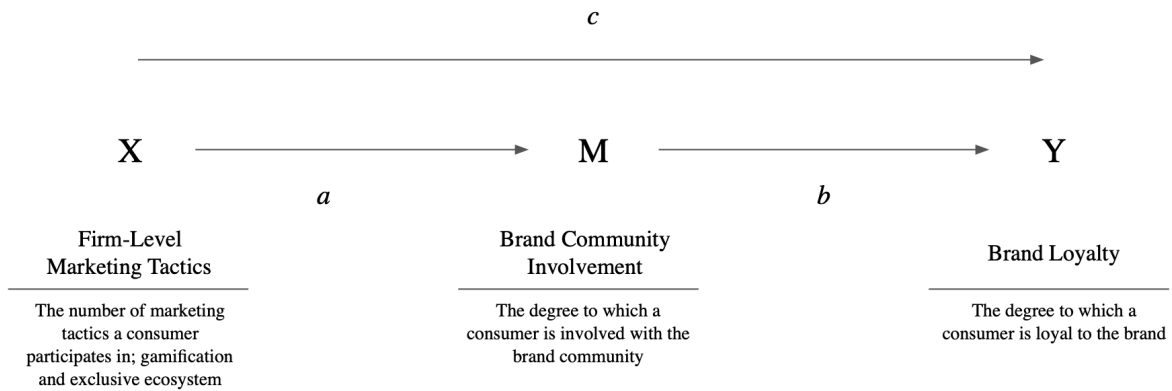
Study 1: In-Depth Interview

The transcripts of each interview were distilled into several focal points. The focal points were then compared across the 20 interviews, looking for similar and contrasting opinions. Following the focal point analysis, common themes and trends were then identified based on the findings across all interviews.

Study 2: Online Survey

To provide empirical evidence indicating the existence or the absence of a relationship between the dependent, independent, and mediator variables, a series of T-tests and regression models were performed in R. Furthermore, a mediation analysis was performed to explore whether the impact of firm-level marketing techniques on brand loyalty are mediated through brand community involvement. Below is a framework, based on Baron and Kenny's 1986 mediation framework, outlining the relationship between the three variables:

Figure 3: Proposed Mediation Analysis Framework



3 total regressions to test each marketing tactic

- 1) Regression c : dependent variable Y on independent variable X
- 2) Regression a : mediated variable M on independent variable X
- 3) Regression $c + b$: dependent variable Y on mediated variable M and independent variable X

Using this framework, the relationship between the three variables will be further explored in order to determine if there is significant evidence that brand community involvement acts as a mediator between firm-level tactics and brand loyalty. To be proven significant would signal the important role of brand community in manipulating the effects of firm-level marketing tactics on loyalty, thus incentivizing companies to build, maintain, and more closely monitor their respective brand communities.

Findings

Study 1: In-depth Interviews

20 in-depth interviews were conducted amongst global fans ages 18-36. Concepts explored include brand loyalty, brand community engagement, and relationship dynamics between players in the K-Pop industry. Transcripts of each interview were analyzed using thematic analysis, looking for key trends, convergence, and divergence. The information was then distilled into 4 observed trends, supported by direct citations and anecdotes from the interview transcripts.

1.1 Components of the K-Pop Brand Community

There exists a common set of terminology and social conduct codes that govern the larger body of the umbrella K-Pop brand community. Following specific K-Pop terminology and mannerisms is used as a marker of community membership, and is a tool that mobilizes the mass consumer. In the K-Pop industry and in the context of this research paper, the “brand” will refer to individual K-Pop groups or artists, while “brand community” or the “fandom” will refer to the communities and spaces in which K-Pop fans convene and interact with one another and the brand. The main sources for online K-Pop brand communities are social media platforms such as Instagram, Twitter, and Tumblr. There are also specific websites dedicated to the K-Pop community, such as the website Allkpop and the DAUM Fancafe application (a big forum hosted by widely-used Korean web portal DAUM, where the artists, fans, and companies can make posts and interact with one another).

Within the large umbrella of the K-Pop community, there also exist smaller, systematic sub-sets of brand communities segregated across four dimensions. Firstly, there exist vertically-separated brand communities based on music labels; for example, JYP entertainment brand

communities support only the K-Pop groups debuted under this label. Secondly, there exist horizontally-separated brand communities based on K-Pop phases; for example, the first phase refers to the founding generation of K-Pop groups from the mid 1990s to early 2000s and the second phase refers to the second generation of idols from mid 2000s to early 2010. Thirdly, there exist singular brand communities based on individual K-Pop groups. This dimension of brand community is characterized by distinguishing features and mannerisms. Such traits include having a fandom name, fandom color, fandom chant, and fandom symbol that uniquely represent each community and the corresponding K-Pop group. These traits are agreed upon through mutual collaboration between the K-Pop artists and the fandom; once an official name and color is established, it is used by the music labels on official merchandise and album releases. Lastly, brand communities can be defined along the borders of the different online platforms used to host said communities. Some aforementioned brand communities include Facebook pages or DAUM fancafes. This is the dimension used to primarily segregate between different brand communities for the purposes of this research paper.

Despite being described by consumers as organized and systematic, these sub-sets of brand communities are not mutually exclusive. One consumer often reports being a part of multiple brand communities. This can lead to a tension, especially when competition is heavily incentivized between different brands. Participants who reported being a part of multiple communities often experience conflict when it comes to meeting the expectations of duties across each community. Below is a quote from one participant, explaining the personal conflict:

“I stan^[1] multiple groups [and] it’s hard to keep up with them all sometimes. Especially when it comes to voting and stuff for MusicBank or Inkigayo^[2], when two groups I like are pitted against each other it’s so hard to choose...sometimes it gets so tiring that I just have to take a break for a while [and] come back when I have enough time in my real life.”

^[1] Stan: to follow and be loyal to a certain artist or group.

^[2] MusicBank and Inkigayo: two popular weekly music award shows where K-Pop artists perform their songs. Fans can vote at the end for a specific group to win the final popularity prize at the end of each show.

A common complaint raised by participants was the difficulty in sustaining meaningful relationships, which results in an overall decrease in brand community engagement and involvement over time. Having to juggle the responsibilities of multiple brand communities, which at any given point in time can compete against one another, is tiring. Additionally, high expectations are set for members of certain brand communities. Below is a quote from one interview participant, explaining how their engagement and thus loyalty to the K-Pop group, BTS was affected due to the unrealistic expectations set by the brand community.

“I’m a fan of multiple groups, but I would agree that it gets hard to balance them all sometimes. I like all of them, but it’s hard to support them all especially when I’m expected to be “loyal” in a certain way...I even stopped being a BTS fan because the fandom was becoming super toxic. For some fans, if you don’t buy albums then they automatically assume you don’t like the boys as much as they do, and you become a lesser fan in their eyes.”

In these communities, fans who fail to adhere to said expectations for any reason are seen as “lesser fans”, demeriting their membership in the brand community and causing them to become ostracized from and in some instances bullied by their peers. This is a recent phenomenon that has been occurring in the K-Pop industry, and is a concept that will be discussed further in section 1.2.

1.2 Paradox of the Brand Community

The impact of marketing tactics on consumer brand loyalty are either significantly strengthened or significantly diminished when passed through a brand community. While the majority of participants reported a positive impact on loyalty when mediated through the brand community, a significant portion also cited brand community involvement as a contributing factor that has both diminished loyalty over time and discouraged them from liking new groups. This infers a paradoxical relationship between marketing tactics, brand community, and brand loyalty.

Favorable aspects of the brand community include creating a sense of membership and family. Respondents explained that their participation in the community made them feel special, needed, and important. As opposed to an individual consumer, they felt more powerful to incite positive change for the brand as part of a prominent yet singular entity. This is a measure of shared consciousness, one dimension of brand community engagement.

“I have participated in fandom-specific group chats which have heightened my fandom for said groups. Sharing fandom with others makes it more fun, and makes me feel like I'm part of something bigger.”

In addition to feeling more connected to the brand through their participation in the accompanying community, respondents also claimed that their relationships with the brand and community are dynamic; the industry is constantly generating new content, debuts K-Pop groups, and attracts new fans which provides members of the community with continual goals to achieve and obligations to uphold. Thus, membership does not get boring.

“K-Pop always has something new happening, you know? It feels like literally every week there's a new group debuting, or someone is making a comeback^[3], or some scandal or whatever...I would say that I do get bored sometimes especially if my favorite group hasn't released any new content yet, but my K-Pop friends always keep me updated and engaged by sending me fanfiction^[4] or clips through our group chat.”

Out of the 20 participants, 14 agreed that they had a positive experience with K-Pop brand communities, and 12 of the 14 participants who reported having a positive perception and interaction with a K-Pop brand community also reported that their membership had a positive impact on their brand loyalty. Below are example anecdotes from two participants who became more loyal to the respective brands as a result of their community involvement.

“Being in the brand community has a huge impact on my loyalty, I think. Whenever BTS (name of a K-Pop group) makes a comeback, I love streaming with my friends [and] pulling

^[3] Comeback: a term used to describe when a K-Pop artist or group releases new music after a significant period of hiatus.

^[4] Fanfiction: fan-created, fictional stories that involve a hypothetical scenario with K-Pop artists as main characters. It is a type of ecosystem marketing tactic.

all-nighters with them to vote for music shows. It makes me feel closer to them...and I feel like I'm helping my boys (referring to the K-Pop group brand) out too. I just want to see them happy...seeing them happy makes me happy and I'd do anything for them. Especially if it's this fun!"

"As someone who runs a dedicated K-Pop Instagram page, I love creating content for my followers who love K-Pop as much as I do. It's also really rewarding seeing new fans join our family because of content I create too...seeing them discover my favorite groups makes me so proud. In real life I also wear my NCT hoodie...I can see how it makes fans more loyal, yeah. I never really thought about it, but I guess it works on me too...I like being understood."

Interestingly, it was also implied that community membership played a role in strengthening the impact of the marketing tactics that passed through the community. In particular, the statements "...I love streaming with my friends [and] pulling all-nighters with them to vote for music shows. It makes me feel closer to them" and "I love creating content for my followers who love K-Pop as much as I do. It's also really rewarding seeing new fans join our family because of content I create too" are examples of gamification and exclusive ecosystem tactics, respectively. These statements allude to a relationship between brand community membership and the impact of firm-level marketing tactics, where involvement can strengthen the impact of said tactics on consumer brand loyalty. This question was asked prior to explicitly asking about their experience with gamification and exclusive ecosystem marketing tactics. Participant response to the latter will be further explored in section 1.3.

Unfavorable aspects of the brand community include members feeling pressure to reach an unrealistic standard required to be a "good fan", where deviations from expected behavior is labeled as "bad" or disloyal behavior. These harmful perceptions in the brand community limit self-expression of the members, since brand loyalty and dedication is expected to look a certain

way. These perceptions are perpetuated and validated by other members in the community, which has resulted in growing concerns about “toxic” brand community behavior; where brand community members begin to lose their individual sense of identity and are instead expected to adopt the collective hive mind.

“I used to be a big fan of BTS, but the collective mindset and negative air surrounding the fanbase unfortunately negatively impacted my love for them. It became hard to listen to their music and enjoy supporting them when others within the fandom treated it like their only personality point. For many ARMYs, enjoying any other group is seen as being a fake fan, and I wasn't into the toxicity of the community.”

What this implies is that the brand community’s behavioral expectation of its members do not make allowance for diversity or mutual understanding. Instead, the perceived “loyalty” of each member is directly tied to their monetary consumption and time commitment towards the brand. When marketing tactics such as gamification and exclusive ecosystem pass through the brand community, rather than being optional events for consumers to willingly participate in, they become obligatory for all community members, causing a portion of the community to react negatively. As these obligations are continuously forced upon members by this harmful community culture, consumer perception of the community and consequently the brand gets sullied. This results in a loss of interest and diminished brand loyalty. The quote below portrays an instance where a participant’s brand loyalty was negatively affected by harmful community culture.

“It’s so common, especially nowadays, where you get called a bad fan or [dis]loyal for not buying every single merch[andise] that exists out there. Like, if I don’t buy all 5 album versions of NCT’s (the name of a K-Pop artist) latest comeback, I get absolutely dragged by the rest of the discord server^[5]. Some people don’t have the financial means, you know - like myself included...and it’s not just monetary either. On top of dishing out your life

^[5]Discord server: a website and online community where individuals can create unique “servers” or rooms with multiple participants to talk at a time. It is a type of brand community.

savings, you're expected to, during comebacks, spend every waking hour to stream their newest music video on YouTube, Spotify, Melon^[6]...no one cares if you're in the States and have to wake up at 2 a.m. to do so. If you don't you're automatically cancelled as a fake fan.”

From this particular quote, we can also observe an alarming trend that attributes the worth of a consumer to the amount of money spent on K-Pop content and the regularity of consumption said content and monetary goods. Failure to do so results in a fan becoming “cancelled”. The rise of cancel culture, a phenomenon defined as a form of ostracism that includes boycotting an individual in response to them acting in a controversial manner that is unapproved of by the masses (McDermott, 2019), has become a particularly notable concept among K-Pop brand communities. This culture is based on highly collectivist thinking and herd mentality, which makes it difficult for individuals to have contrasting opinions without being “cancelled”. As a result, this creates a negative impression among fans who cannot or do not want to participate in community-related activities. Participants identified the spread of cancel culture within several different K-Pop brand communities, and the interviews yielded several anecdotes where participants were labeled as fake or disloyal for not participating in certain activities. This form of forced conformity was cited as a main reason for why several participants eventually left a K-pop community, reported a decrease in brand loyalty, and in some instances even stopped being fans of K-Pop altogether. Below is one anecdote detailing a participant's personal experience with this harmful culture.

“One time, I even got ghosted^[7] by someone who I thought was my friend because I told her my favorite color is green and not grey, which is the official fandom color of BTS. I know people who spend a significant portion of their time memorizing fan chants, even though they don't go to any concerts. It was weird and I felt like I was constantly being looked down upon and told what to do so I just left...no, I got back into K-Pop with NCT but I'm not a fan of BTS anymore.”

^[6] Melon: A popular music streaming application in Korea, similar to Spotify.

^[7] Ghosted: to abruptly stop contacting or responding to someone without giving proper explanation.

Based on the 20 interviews conducted, there is significant evidence to suggest that there is a paradox in the brand community where the brand community ecosystem works at both strengthening and diminishing brand loyalty. At best, community membership leverages feelings of excitement, belonging, and love, where consumption is seen as a contribution to the brand and fellow community members that is willingly given. At worst, the spread of harmful community culture, such as cancel culture, in a brand community can create toxic sentiments that disregard the individuality of a consumer and define consumer value by their monetary consumption and willingness to conform to the hive mind. In some instances, this discourages people from staying in and joining the community, and could pose a significant threat to brand reputation and the strength of brand loyalty in the K-Pop industry in the long run.

1.3 Marketing Tactics on Brand Loyalty

The general consensus across 19 of the 20 interviews conducted was that both gamification and exclusive ecosystem marketing tactics have a significant impact on consumer brand loyalty. Most respondents had difficulty identifying specific instances of both gamification and exclusive ecosystem marketing campaigns in the industry without a primary example given by the interviewer. A potential reason for this might be because the execution of these two marketing tactics by firms in the industry cohesively blend into the product and brand, thus making them less apparent to the common consumer. When the interviewer prompted participants by giving examples of score-ranking systems and community-specific jargon for gamification and exclusive ecosystem marketing tactics respectively, the recognition of participants was instant. Following the prompt, participants were able to identify more instances of both gamification and exclusive ecosystem tactics. The most commonly identified marketing tactic was randomized photocard

placement in albums, thus suggesting that gamification is the more memorable marketing tactic in the minds of consumers.

“I don’t know if this counts, but maybe the photocards in the albums? I think almost every group and company does this thing where they put random photocards^[8] of members as a freebie for purchasing an album...you can get anywhere from one to three cards, depending on the company and the group...I’d say it definitely plays a part in making fans more loyal, since you spend all your time and money on them.”

Marketing techniques such as randomized photocard placement are considered as gamification tactics, where the aim is to incentivize healthy competition and repeat purchases from consumers. This repetitive behavior develops into a monetary, time, and emotional investment, increasing switching costs and further strengthening consumer brand loyalty. Below is an example provided by a participant detailing how effective gamification tactics such as photocard placement can be:

“It’s supposed to act as a free gift, but they actually have a lot of standalone value. People trade the cards for money, trying to collect the entire set or get the rare cards of their fav[orites]...it’s especially crazy when you think about, like, the 50 cards they collect for each comeback – and one group has multiple comebacks in a year...like anywhere from 2 to 6. And on top of that chances are you stan multiple groups too.”

While the large majority agreed that marketing tactics were effective in strengthening their brand loyalty, there was one sole variant response:

“I don’t really notice them (referring to marketing tactics) that much, honestly. I’m here solely for the music, and I’d purchase an album if and only if I like the discography on there. I feel like that’s not really the case with most fans of K-Pop, at least from what I’ve seen so far...my loyalty extends as far as my musical appreciation for a singer. That’s just me though, and I wouldn’t necessarily call myself a huge or loyal fan of K-Pop either.”

In particular, 17 of the 19 participants agreed that gamification marketing was seen as particularly effective in increasing brand loyalty, citing that it effectively captured their interest

^[8] Photocards: small, wallet-sized photos of K-Pop artists that are printed by the company on high-quality paper and included as free merchandise with every K-Pop album. They are typically randomized, meaning fans will not know which card is in which album. It is a type of gamification tactic.

and ensured being a fan was always new and exciting, made them want to seek out the brand community and gave them a topic to discuss with community members, and generally made them more engaged with the brand. The remaining two argued that gamification tactics impacted their loyalty negatively because it made them feel like a company was trying to exploit their dedication for monetary gain, thus achieving the opposite of its intended effect.

Compared to gamification, exclusive ecosystem yielded even more mixed results. This particular marketing tactic was seen as either an incentive or deterrent for brand loyalty, depending on individual consumer attitudes. Only 12 of the 19 participants agreed exclusive ecosystem marketing strengthened their loyalty to the brand, while 7 participants maintained that it negatively affected their loyalty. When asked further, 6 of the 7 respondents reported that their main concern was occasionally feeling uncomfortable with the forced use of community-specific language. This was particularly true amongst older respondents, aged 26 and above, who were especially apprehensive because they viewed this type of forced homogenous behavior as childish and oppressive.

“Depends largely on the communities of course. I've found that engaging with K-Pop fans who are older is a more pleasant experience than younger fans. Also, I'm Korean-American and I've found some of the behavior of fans to either be Koreaboo^[9] or extremely close to Koreaboo behavior which has negatively affected my enjoyment of the hobby.”

Similar sentiments were echoed across the remaining participants who voiced their apprehension towards exclusive ecosystem marketing. According to these participants, the “us vs. them” mentality encouraged by exclusive ecosystem techniques also further incentivizes cancel culture in K-Pop brand communities. This makes it even more uncomfortable and difficult for consumers to remain engaged in the community and thus loyal to the brand. Below is an excerpt

^[9] Koreaboo: a term used to describe fans that are excessive and/or cringey in their love of K-Pop. It holds a negative connotation, and is typically associated with younger and/or non-Asian fans.

from one participant who describes their reaction to a specific exclusive ecosystem marketing tactic: unique fandom language.

“...maybe it’s because I’m old now but it feels weird to use these kinds of words. When I was a kid I didn’t think much of it, but now it feels cringey...[there is] now this stereotype that only Koreaboos or young fans do th[ese] types of things. Maybe I enjoyed [it] when I was younger probably, but now I just want to listen to the music...that’s why I don’t follow them (referring to K-Pop brand communities) anymore on social media because all I see is this cringe stuff.”

Similarly, other respondents often mentioned brand community in their reactions to exclusive ecosystem marketing where they often experienced this marketing tactic in the brand communities they are a part of. Based on this explanation, we can infer that exclusive ecosystem tactics are heavily influenced by a consumer’s experience with the brand community. By logical progression, this supports the hypothesis that the impact of exclusive ecosystem marketing tactics on brand loyalty will be mediated through brand community involvement; a hypothesis which will be explored quantitatively in study 2.

1.4 Brand Loyalty: divide between Product and Firm

Marketing tactics positive influence on brand loyalty seems to extend only as far as the specific group or “product” itself; the same devoted loyalty is not afforded to the product’s music label. In certain cases, poor treatment of the idol groups by the companies are enough to turn fans away from the groups themselves, despite accrued brand loyalty.

“I loved them so much, and but I couldn’t support them anymore. I know that if I support them [and] buy the merch[andise] and the albums, all the benefit goes to the company. Nothing goes to them. But at the same time, if I don’t support them, they still get nothing. It’s a lose-lose situation and honestly that combined with the pressure I felt to love them a

certain way was just so toxic for my mental health and even physical [health], so I had to leave.”

“The labels are well-known for treating our boys (the idol groups) poorly, [and] we support them with our whole entire beings while also hating the companies they’re a part of...personally I still follow GOT7 (name of a K-Pop boy group), but I have a lot of mutuals^[10] who eventually stopped being fans and left the fandom after JYP blocked their comeback and musical freedom for the thousandth time.”

Based on these insights, there is evidence to suggest that brand loyalty and company loyalty are not synonymous in the K-Pop industry. While a consumer might be highly loyal to the brand, they can also feel negatively about the parent company. 14 of the 20 interviews conducted identified with this paradox. In specific, respondents reported having concerns about the ethical treatment of the brands by the parent companies, as well as the immoral exploitation of the groups for the sake of monetary gain.

“Idols are expected to bow down to a fan’s every request. I know XX group was forced to bark and woof because a fan wanted them to in a video call...they are 27 year old men using aegyo^[11] for goodness sake! It’s disturbing to watch, and I know it’s partially the fans fault for asking such creepy [requests] but I feel like the company should lay down more protection rules and enforce them.”

Interestingly, while there is a brief acknowledgement of the responsibility of the consumer or fan to respect ethical boundaries, most of the ire was directed towards the parent company. Unbecoming behavior, such as acting “overly cute” to gain attention, was seen as forced onto the artists by their respective music label. Thus, this infers that consumers view the firm as the responsible party while the brand is the powerless third party, providing an explanation for why participants reported feeling little company loyalty but strong brand loyalty.

^[10] Mutuals: a term that refers to a social media account in which you both follow each other back. Following needs to be reciprocated in order to be a mutual, or an online “friend”.

^[11] Aegyo: a type of “cutesy” act popularized in Korean culture, typically used as an appeal amongst youth and K-Pop artists.

Additionally, a common complaint brought up in the interviews addressed the lack of compensation and issues of fair payment of artists. Participants quoted feeling powerless to help the artists because of the greed of the companies, thus fostering and increasingly negative relationship.¹¹ of the 20 participants described the existence of a trapped cycle, where fans face the paradox of wanting to support idols but knowing that a significant portion of their money will go to the firm. While marketing tactics such as gamification and exclusive ecosystem were acknowledged as effective tools in building brand loyalty, respondents unanimously agreed that this grace typically extends exclusively to the K-Pop groups (i.e. the “brand”) themselves.

In the past, companies used to be important to fans when choosing specific groups to follow (i.e. SM Family, JYP Family, etc.). Now, fan-company relationships and thus fan-company loyalty have significantly less impact on a consumer’s purchase intention. Rather, fan-brand loyalty is the main relationship that participants reported actively building. In fact, out of the 8 participants who reported having a significant relationship with a company, 6 out of the 8 described it as a negative relationship which unfavorably affected their brand loyalty. Thus, it can be inferred that firm’s with similar industry culture should focus on building salient fan-brand relationships to achieve the most effective loyalty.

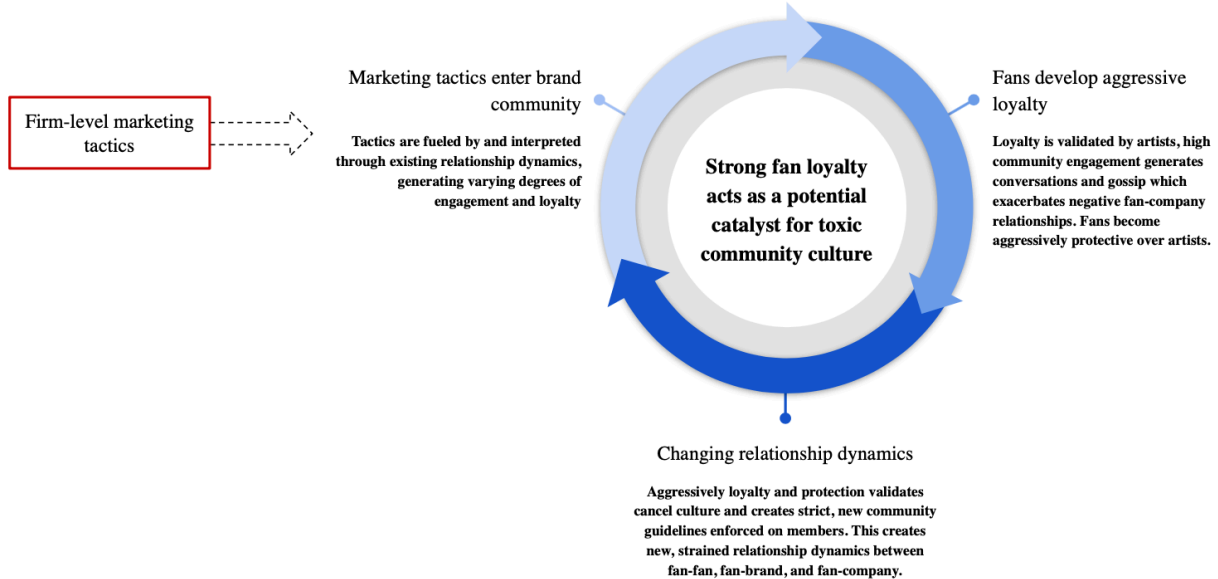
“...I think there’s a lot of bad stuff that goes on behind the scenes in corporate that most fans don’t know about. You can probably say the same about any industry, and especially the entertainment industry, but it’s really an open secret in the K-Pop industry that the companies treat their idols badly...I used to follow JYP artists exclusively and even went to their end of year JYP family concert...[but] now after I’ve spent so much time as a K-Pop fan I have heard all the dirty rumors about how terribly the idols conditions are. They don’t even get paid or get given proper meals sometimes. Maybe it’s because I’ve been a fan for the past 10 years, but honestly I’ve lost interest...and it takes [me] getting bored or finding a new group in order to get back into K-Pop...knowing what I know makes it hard

to support them honestly. A lot of my friends who got into K-Pop the same time I did feel the same way, but I guess younger fans might not know everything.”

This negative relationship between fans and the companies themselves seem to get worse with time. One potential reason for this is because as the amount of time spent as a fan in the industry increases, their exposure to gossip and news regarding the treatment of K-Pop artists by their companies also increases. In particular, all of the 8 participants reported that the majority of the gossip they have heard was through the K-Pop brand communities they were a part of. The exposure compounded with the high amount of attachment and loyalty they feel towards the artists and brand only heightened the emotional response towards rumors of mistreatment.

In theory, the strong loyalty and emotional attachment of a fan in tandem with the collective hive mind could be the catalyst for the growth of cancel culture in the K-Pop industry. Normal levels of brand loyalty evolves into aggressive brand loyalty as rumors of company mistreatment of artists cause consumers to feel protective and responsible for the success of their favorite groups. The artists further exacerbate negative fan-company relationships by corroborating the aggressive loyalty, causing fans to believe their actions are validated and thus all other members in the community must act accordingly as well.

Figure 4: Theoretical Cycle of Toxic Culture Infiltration into Brand Community



As demonstrated in the cyclical model above, there is a clear consequential effect where 1) marketing tactics such as exclusive ecosystem can enhance loyalty, 2) loyalty is validated by the artists and, combined with poor relationship between fan-company and artist-company exacerbated by gossip in the brand community, creates an aggressive protection by the fans, and 3) validates cancel culture and creates strict, new community guidelines which affect the dynamic between all players in the industry. It is important to note that this is purely a hypothetical diagram attempting to explain what mechanisms are at play that might allow toxic community culture such as cancel culture to grow within a brand community. This is developed based on information gathered from study 1 combined with insights from previous literature about the nature of the K-Pop industry. Further research should be conducted to either prove or disprove the theorized model.

Study 2: Survey Study

An online survey was administered amongst 120 global respondents in order to provide quantitative data to address hypotheses 1, 2, and 3, as well as the post-hoc analysis. A combination of ANOVA tests, independent-sample T-tests, paired-sample T-tests, and regression models were performed in order to provide substantial evidence either proving or disproving the existence of a relationship between the two firm-level marketing tactics, brand community engagement and involvement, and brand loyalty. For the purposes of this research paper, brand community engagement will measure the degree to which a consumer is exposed to and interacts with the community, while brand community involvement refers to whether a consumer is or is not considered a member of the community and assumes consistent levels of brand engagement in said community.

Pre-Analysis:

A paired-sample T-test was performed to determine if there exists a significant difference between the means the two measures for brand community engagement, shared consciousness and moral responsibility, and likewise the two measures for brand loyalty, conative loyalty and actionable loyalty. Based on the T-test at the $\alpha = 0.05$ level, with p-value = $6.535e-07$ we can reject the null hypothesis that the true difference in means between shared consciousness and moral responsibility are equal, and we have significant evidence to accept the alternative hypothesis that the brand community means between shared consciousness and moral responsibility are different from each other. Similarly, with p-value = 0.0096 we can reject the null hypothesis that the true difference in means between conative and actionable are equal, and we have significant evidence to accept the alternative hypothesis that the brand loyalty means between conative and actionable are different from each other.

Based on the demographics of the sample, 74% of respondents identified as female, 54% were between the ages of 18-23, 42% reported being of Caucasian ethnicity, and 45% were located in North America (Appendix 5). Of the survey respondents, only 3% were above the age of 36 and only 2% identified as male (Appendix 5).

1. Firm-level Marketing Tactics on Brand Community Engagement and Loyalty

The first hypothesis this paper will address is whether the firm-level marketing techniques of gamification and exclusive ecosystem are significant in strengthening the attributional measures of brand community engagement, characterized by shared consciousness (SC) and moral responsibility (MR), and brand loyalty, characterized by conative (CO) and actionable (AC) loyalty. The attributional measures were tested using a series of 16 Likert-scale statements, asking respondents to select their agreement with said statement on a scale of 1 (extremely agree) to 7 (extremely disagree). From the 16 statements, four were dedicated to each attributional measure. The average value was then calculated by taking the average mean across the 4 statements dedicated to each attribute.

Respondents were also split into one of three groups based on their self-reported degree of exposure to each marketing technique. For each of the two techniques, 8 respective example tactics were provided to the respondents. Respondents were then asked to select all that they participate in. Based on the amount of tactics they reported participating in, respondents were categorized into one of three exposure groups: low (0-2 tactics), medium (3-5 tactics), and high (6-8 tactics). Below are the mean scores for each group across the four total attributional measures. The scores are rated on a scale of 1 (extremely loyal) to 7 (extremely disloyal), where smaller the numbers represent higher loyalty of a respondent.

Figure 5: Mean Scores for Gamification Tactics across Four Attributional Measures

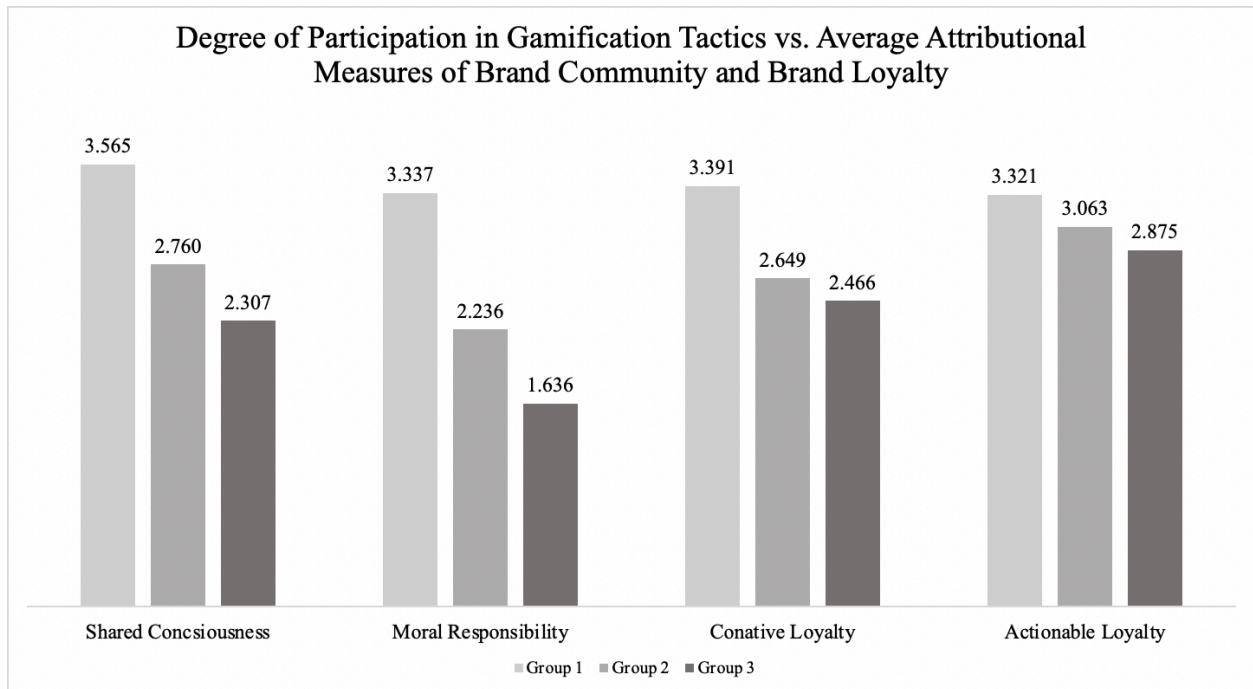
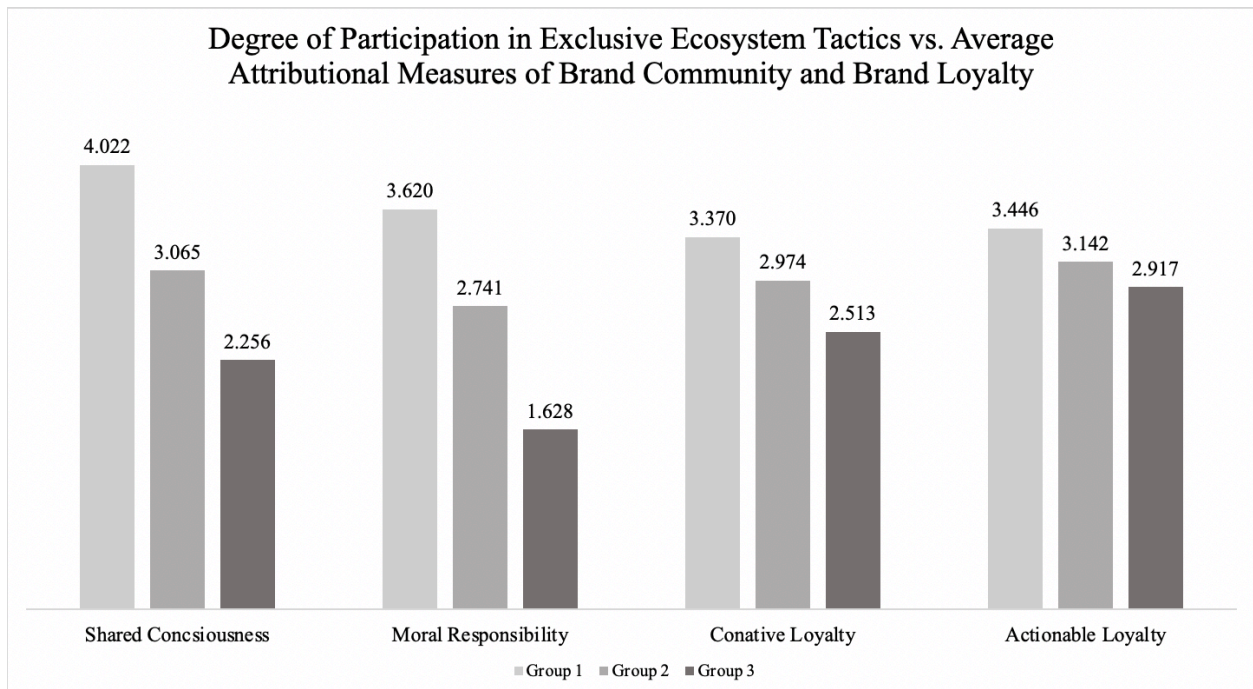


Figure 6: Mean Scores for Exclusive Ecosystem Tactics across Four Attributional Measures



Based on the graph, there is a clear trend for both gamification and exclusive ecosystem marketing tactics. Both demonstrate a positive relationship between the degree of participation in a tactic and a respondent's reported brand community engagement and brand loyalty. As the number of gamification and exclusive ecosystem tactics a consumer is exposed to increases, their feelings of engagement in the brand community and their sense of brand loyalty increases as well.

1.1 ANOVA Test Results

In order to test the significance of this relationship, a series of 8 ANOVA tests were run across the two independent variables and four dependent variables. The independent variables include 1) gamification tactic exposure, and 2) exclusive ecosystem tactic exposure. The dependent variables include 1) average SC, 2) average MR, 3) average CO, and 4) average AC. The 8 hypotheses being tested are as follows:

H₀ = The amount of [*independent variable*] marketing tactics a consumer participates in has no effect on their [*dependent variable*].

H_a = The amount of [*independent variable*] marketing tactics a consumer participates in has an effect on their [*dependent variable*].

At the $\alpha = 0.05$ level, it was found that both independent variables were significant across not only the dimensions of brand loyalty, but also brand community engagement. This signifies that increased exposure of a consumer to gamification and exclusive ecosystem tactics has an effect on both community engagement and brand loyalty, demonstrating the effectiveness of these two particular marketing tactics.

1.2 Regression Analysis Results

Figure 7: Regression Results for Gamification Exposure on Brand Community Engagement and Brand Loyalty

Regression Results	SC		MR		CO		AC	
	M1	M2	M3	M4	M5	M6	M7	M8
Intercept	< 2e-16****	2.71e-08****	< 2e-16****	7.28e-07****	< 2e-16****	3.96e-16****	< 2e-16****	< 2e-16****
Gamification Total	5.78e-05****	0.0001****	5e-08****	2.33e-06****	7.3e-06****	0.0009****	0.003****	0.021**
Fan Years		0.227		0.065*		0.703		0.055*
Fan Hours		0.968		0.766		0.146		0.025**
Age		0.903		0.982		0.888		0.857
Ethnicity		0.383		0.2		0.476		0.333
Geographic Location		0.034**		0.376		0.107		0.825
Adjusted R2	0.1212	0.1789	0.2169	0.2345	0.1502	0.2084	0.0634	0.1153

Significant at 0.1 (*), significant at 0.05 (**), significant at 0.01 (***)

Figure 8: Regression Results for Exclusive Ecosystem Exposure on Brand Community Engagement and Brand Loyalty

Regression Results	SC		MR		CO		AC	
	M1	M2	M3	M4	M5	M6	M7	M8
Intercept	< 2e-16****	1.89e-10****	< 2e-16****	1.87e-09****	< 2e-16****	2.69e-16****	< 2e-16****	< 2e-16****
Ecosystem Total	2.91e-10****	3.97e-06****	6.01e-13****	4.24e-08****	2.98e-06****	0.002****	0.008****	0.116
Fan Years		0.458		0.209		0.339		0.132
Fan Hours		0.861		0.902		0.127		0.015**
Age		0.952		0.989		0.959		0.981
Ethnicity		0.481		0.261		0.506		0.371
Geographic Location		0.068*		0.731		0.239		0.876
Adjusted R2	0.2809	0.2417	0.3512	0.2999	0.1625	0.1947	0.0509	0.0854

Significant at 0.1 (*), significant at 0.05 (**), significant at 0.01 (***)

Sixteen regression models were also performed to determine what factors have a significant impact on brand community and loyalty measures, and identify the direction of their impact. Due to multicollinearity, the regressions for gamification and exclusive ecosystem tactics were conducted separately. Figures 7 and 8 show the correlated results; the odd-numbered regressions (M1, M3, etc.) were performed without control variables, while the even-numbered regressions (M2, M4, etc.) were performed with control variables. The control variables Fan Years and Fan Hours are numerical values. The demographic control variables of age ($< 30 = 1$, $over\ 30 = 0$), ethnicity (Asian = 1, non-Asian = 0), and geographic location (Asia = 1, non-Asia = 0) are dummies. 26 observations were deleted due to missingness; these correspond to the responses of “prefer not to say”.

At the $\alpha = 0.05$ level the degree of gamification participation proved to be significant across both measures of brand community engagement and brand loyalty. The direct of the correlation was positive, indicating that gamification is significant in strengthening both engagement and loyalty. When the regression model for gamification was performed with the control variables, fan years, or the number of years a respondent reported being a K-Pop consumer, also proved to be significant for both increasing moral responsibility and actionable loyalty amongst consumers. Fan hours was significant for increasing feelings of actionable loyalty. Fan hours, or the average duration a respondent reported consuming K-Pop content in a given week, was proven significant in strengthening only actionable loyalty.

At the $\alpha = 0.05$ level, the degree of exclusive ecosystem participation was also significant across both measures of brand community and brand loyalty. However, when testing the effect of exclusive ecosystem tactic exposure on actionable loyalty with the control variables, the independent variable became insignificant (see M8 in Figure 8). Instead, the variable fan hours

was proven to be significant in increasing feelings of actionable loyalty; mimicking the same results as observed with gamification above. Unlike with the gamification regression model, however, since exclusive ecosystem tactic exposure became insignificant with the introduction of fan hours, this indicates possible high correlation between the two variables. Additionally, the variable fan years in combination with exclusive ecosystem was not significant across all four attributional measures, unlike in the gamification model.

1.3 Hypothesis Conclusion

Based on the collected results, the hypothesis that firm-level tactics have a significant, positive correlational relationship with consumer brand community engagement was corroborated in the case of gamification marketing. However, in the case of exclusive ecosystem marketing, this positive correlational relationship was only partially proven. When control variables were introduced to the actionable loyalty regression, exposure to exclusive ecosystem tactics became insignificant. Thus, this suggests that of the two firm-level marketing tactics, gamification is more reliable in strengthening both dimensions of conative and actionable loyalty.

2. Brand Community Involvement on Brand Loyalty

The second hypothesis this paper will address is whether brand community involvement, denoted by general membership of at least 1 K-Pop community and consistent engagement with said community, is significant in strengthening both attributional measures of conative and actionable brand loyalty. This variable was measured using a binary variable of Yes (1) and No (0), and thus two independent two-sample T-tests and eight regression analyses were run to explore this hypothesis.

2.1 Independent T-test Results

H₀ = Consumer brand community involvement has no effect on a consumer's conative/ actionable brand loyalty.

H_a = Consumer brand community involvement has an effect on a consumer's conative/ actionable brand loyalty.

At the $\alpha = 0.05$ level, with a p-value = 0.0459 we can conclude that there is a significant difference in mean conative brand loyalty between those involved in the brand community and those uninvolved in the brand community. Those who are involved in the brand community are likely to have different feelings of conative brand loyalty than those who are not involved in the brand community.

At the $\alpha = 0.05$ level, with a p-value = 0.197 the study fails to reject H₀ and does not have enough evidence to accept H_a. Based on the study data, there is not enough evidence to indicate a significant difference in mean actionable brand loyalty between those involved in the brand community and those uninvolved in the brand community.

2.2 Regression Analysis Results

Similar to hypothesis 1, 8 regression models were performed to determine whether brand community involvement had a significant impact on brand community and loyalty measures when measured on a continuous scale with other variables, and identify the direction of its impact. The results of the 8-model regression analysis, 4 singular and 4 with controls, are listed below in the following table:

Figure 9: Regression Results for Brand Community Involvement on Brand Community Engagement and Brand Loyalty

Regression Results	SC		MR		CO		AC	
	M1	M2	M3	M4	M5	M6	M7	M8
Intercept	< 2e-16***	6.97e-10***	< 2e-16***	1.88e-08***	< 2e-16***	4.25e-14***	< 2e-16***	< 2e-16***
Brand Community Involvement	5.61e-06***	2.45e-05***	3.6e-07***	1.80e-06***	0.045**	0.231	0.165	0.232
Fan Years		0.293		0.123		0.311		0.125
Fan Hours		0.071*		0.015**		0.011**		0.002***
Age		0.78		0.783		0.767		0.936
Ethnicity		0.316		0.142		0.331		0.44
Geographic Location		0.305		0.554		0.466		0.691
Adjusted R2	0.1538	0.2107	0.191	0.2388	0.0451	0.115	0.0079	0.0744

Significant at 0.1 (*), significant at 0.05 (**), significant at 0.01 (***)

The effect of brand community involvement on conative brand loyalty was determined to be significant, as indicated in regression model M6. Yet when combined with control variables in the regression model M7, fan hours becomes significant while brand community involvement becomes insignificant. Similar to the relationship between exclusive ecosystem tactic exposure and fan hours in hypothesis 1, this indicates correlation between the two variables. Based on the regression results depicted under M2, M4, M6, and M8, we can observe that the amount of time spent consuming K-Pop content per week has a significant impact on increasing conative brand loyalty. As for the second dimension of brand loyalty, actionable loyalty, brand community involvement was insignificant in regression model M7 and M8.

This observation correlates with the results found in the independent sample T-test, stated above. The results suggest that involvement in brand community is enough to establish beginning levels of commitment and consistent brand beliefs, but is not sufficient enough to push consumers above and beyond into consistent re-purchase intentions or active brand promotion. Thus, in order to achieve actionable loyalty, a firm could potentially employ a reliable firm-level marketing tactic such as gamification which was proven to strengthen both conative and actionable loyalty even with the presence of control variables, as demonstrated in hypothesis 1 (see Figure 7).

Fan hours, defined as the number of hours a respondent spends per week consuming K-Pop related content, was significant at $\alpha = 0.05$ level across all 4 attributional measures of brand community involvement and brand loyalty. This suggests that the amount of content consumption on a short-term basis has a significant effect on both increasing brand community involvement and brand loyalty. As discussed above, for actionable loyalty, brand community involvement is not significant at $p\text{-value} = 0.232$; yet fan hours is significant at $p\text{-value} = 0.002$. This provides compelling evidence to suggest that in order to increase actionable loyalty and encourage deep

consumer commitment and active brand promotion, firms should also focus on increasing short-term, weekly content exposure and consumption as opposed to merely onboarding new fans into the brand community. Thus, based on the results from hypothesis 1 and 2, a firm can 1) execute gamification tactics and 2) boost weekly content consumption within a brand community to aid in increasing actionable loyalty.

2.3 Hypothesis Conclusion

Based on the collected results, the hypothesis that brand community involvement has a significant, positive relationship with consumer brand loyalty was partially proven. Brand community involvement is significant in strengthening the measure of conative loyalty, but is not significant in strengthening the measure of actionable loyalty. While this hypothesis was only partially proven, the investigation did yield interesting results alluding to the importance of another variable, short-term content consumption, in strengthening both conative and actionable loyalty as well as brand community engagement.

3. Mediation Analysis: Firm-level Techniques, Community Involvement, and Loyalty

The third hypothesis this paper will address is whether the impacts of both gamification and exclusive ecosystem marketing tactics on brand loyalty are mediated through brand community involvement. The mediation analysis consists of a three-step regression with the firm-level marketing tactics as the independent variable (X), brand loyalty as the dependent variable (Y), and brand community involvement as the mediator variable (M). The mediation analysis was designed to test the following null and alternative hypotheses below:

H₀ = The impact of consumer exposure to gamification marketing tactics on brand loyalty is not fully mediated through brand community involvement.

H_a = The impact of consumer exposure to gamification marketing tactics on brand loyalty is fully mediated through brand community involvement.

In order to prove full mediation, three conditions must be satisfied. Firstly, the independent variable must be significant when regressed on the dependent variable (column 1). Secondly, the independent variable must be significant when regressed on the mediation variable (column 2). Thirdly, only the mediation variable must be significant and not the independent variable when regressed on the dependent variable (column 3). For the third condition, both variables being significant would indicate partial mediation. Neither variable being significant nor having only the independent variable be significant would indicate the absence of any mediation. Below is a table of the results of the mediation analysis for both gamification and exclusive ecosystem.

Figure 10: Mediation Results of Brand Loyalty by Gamification and Exclusive Ecosystem through Brand Community Involvement

Mediation Analysis - Regression Results		Brand Loyalty	Brand Community Involvement	Brand Loyalty
Gamification Mediation Test	Intercept	< 2e-16***	< 2e-16***	8.63e-11***
	Gamification Total	1.3e-09***	3.82e-07***	1.71e-06***
	Gamification Brand Community Involvement			0.034**
	Adjusted R2	0.2627	0.1902	0.2846
Ecosystem Mediation Test	Intercept	< 2e-16***	< 2e-16***	1.85e-14***
	Ecosystem Total	5.54e-11***	9.66e-10***	1.15e-08***
	Ecosystem Brand Community Involvement			0.98
	Adjusted R2	0.3004	0.2664	0.2944

Significant at 0.1 (*), significant at 0.05 (**), significant at 0.01 (***)

3.1 Gamification Mediation Test Results

In the third column, both the independent variable X, gamification total, and mediation variable M, gamification brand community involvement, were found to be significant at the $\alpha = 0.05$ level when regressed on the dependent variable Y, brand loyalty. This indicates that the

impact of gamification tactics on brand loyalty is partially mediated by brand community involvement. The results maintain that the mediator variable, brand community involvement, accounts for some but not all of the relationship between exposure to firm-level marketing tactics and brand loyalty. There is a significant direct relationship between firm-level tactics and brand loyalty, which is denoted by the extent to which loyalty changes when exposure to firm level tactics are increased or decreased. Additionally, there is a significant indirect relationship between the mediator variable of involvement and marketing tactic exposure which is denoted by the extent to which brand loyalty changes when exposure to marketing tactics is held fixed and brand community involvement is manipulated.

3.2 Exclusive Ecosystem Test Results

In the third column, only the independent variable X, ecosystem total, was found to be significant at the $\alpha = 0.05$ level when regressed on the dependent variable Y, brand loyalty. This indicates that there is no evidence that the impact of exclusive ecosystem tactics on brand loyalty is mediated by brand community involvement.

3.3 Hypothesis Conclusion

Based on the collected results, the hypothesis that the effectiveness of firm-level tactics on brand loyalty are mediated through brand community involvement was partially proven. For gamification marketing only a partially mediated relationship was proven. On the other hand, for exclusive ecosystem marketing no mediation was observed. In summary, full mediation was not observed for either marketing tactic thus suggesting that the impact of firm-level marketing tactics on brand loyalty is not fully dependent on consumer brand community involvement.

4. Post-Hoc Analysis Insights

4.1 Marketing Tactics Influence on Company Loyalty

There is significant difference between means of those who participate in more marketing techniques and company loyalty for both gamification and exclusive ecosystem marketing tactics. The greater exposure a consumer has to a marketing technique, the stronger their feelings of company loyalty are. The results of ANOVA testing, at the $\alpha = 0.05$ level, indicated that both gamification and exclusive ecosystem proved to have a significant effect on company loyalty with p-values of 0.0072 and 0.0142 respectively. Furthermore, four regression models were performed to observe the relationship between marketing tactic exposure and company loyalty in the presence of control variables.

Figure 11: Regression Results for Gamification and Exclusive Ecosystem Exposure on Company Loyalty

Regression Results	Gamification Company Loyalty		Exclusive Ecosystem Company Loyalty	
	M1	M2	M3	M4
Intercept	< 2e-16***	2.66e-15***	< 2e-16***	3.1e-14***
Gamification Total	0.007***	0.006***	N/A	N/A
Exclusive Ecosystem Total	N/A	N/A	0.014**	0.046**
Fan Years		0.523		0.102
Fan Hours		0.157		0.401
Age		0.296		0.07*
Ethnicity		0.676		0.349
Geographic Location		0.061*		0.037**
Adjusted R2	0.1538	0.2107	0.191	0.2388

Significant at 0.1 (*), significant at 0.05 (**), significant at 0.01 (***)

Even with the presence of control variables, a consumer's exposure to gamification marketing tactics had a significant, positive relationship with company loyalty. That is, the greater a consumer's exposure to gamification tactics, the stronger their loyalty to the company is. The regression analysis yielded the same results for exclusive ecosystem marketing tactics, with the exception of the control variable, demographics. Both a consumer's exposure to exclusive ecosystem marketing tactics and their geographic location have a significant, positive relationship

with company loyalty. This infers that, when combined with exclusive ecosystem tactics, whether a consumer is currently in Asia or outside of Asia will impact their company loyalty.

4.2 Reason for Brand Community Involvement vs. Un-involvement

Of the 34 participants who reported being uninvolved in the brand community, 28 cited the brand community and fan behavior as a principal cause of their un-involvement. The word “toxicity” showed up often, followed by an allusion to cancel culture prominent in the K-Pop brand community, mirroring the same results observed in study 1. Respondents also noted that improper fan behavior also affected their engagement and loyalty with the brand, where “if the fandom gets too toxic it can get exhausting” and “interacting with really obsessive or annoying fans can make me like a group less”. Annoying or exhausting interactions with other community members detract from the community experience which in turn causes them to leave the brand community and, in some cases, the K-Pop industry altogether.

“I’ve stopped listening completely to a group just because of their fans, since the toxicity in the K-Pop community is growing sometimes I feel like getting out of K-Pop...”

Another theme that was discovered in both studies 1 and 2 was the recent change in K-Pop brand community culture. Cancel culture was also referenced in study 2. The quote below describes a respondent’s personal experience with being cancelled and called a “fake fan” due to their decision to not conform to the expected behavior and mindset of the fandom.

“My involvement with the ARMY (the name given to members of BTS’s fandom) in its early days was absolutely wonderful, however that has changed a great deal and more recent involvement with the community has made it that I am no longer all that interested in anything that BTS does, simply because of the community.”

“I used to be a big fan of BTS, but the collective mindset and negative air surrounding the fanbase unfortunately negatively impacted my love for them. It became hard to listen to

their music and enjoy supporting them when others within the fandom treated it like their only personality point. For many ARMYs, enjoying any other group is seen as being a fake fan, and I wasn't into the toxicity of the community.”

Perhaps one reason for this recent change in culture can be attributed to the change in purpose of the brand community. In other words, where K-Pop brand communities existed with the purpose of being a collective space for members to interact and bond over a similar interest, brand communities now prioritize more economic goals where members are expected to be mobilized to achieve said goals. “K-Pop has become more competitive than anything lately. Fans care more about everything from who has charted best to who has done more CA^[12]” states one respondent, clearly demonstrating the prioritization of competition based on economic superiority amongst different fandoms. Similar to study 1, the value of a community member is measured based on how much they can economically contribute to the success of a brand. Respondents also noted a ruthlessness to K-Pop brand communities that was introduced as a result of this change in culture.

“There is little fandoms who actually care for the music. If your favorite groups ain't close to being as big as say BTS or a Big3^[13] group expect them to be discredit and called many things. With K-Pop becoming big many groups are in the spotlight which means many pass and present problematic things get brought up. Instead of actually caring about when idols mess up, fandoms rather fight about who has messed up more. Example being say I a[n] EXO fan was to mention how disappointed I am at another group for disrespect my culture or race, someone of the other fandom would rather start list[ing] everything EXO has done to make that group look better instead of actually caring.”

Not only do non-conforming fans face being “cancelled” for not agreeing with the collective hive mind, but there are also instances of active antagonism as a result of their different opinions. The difference in opinions is viewed as disobedience within the brand community, thus necessitating “punishment”. One respondent reported that in some fandoms, members have resorted to bullying and racism as a form of punishment:

^[12] CA: an abbreviation for commercial advertisement.

^[13] Big 3: refers to the top 3 entertainment companies in the K-Pop industry: JYP Entertainment, SM Entertainment, and YG Entertainment.

“Another huge problem is the racism and cyber-bullying within fandoms lately. As a black fan you will get called the N-word for simply not agreeing on one thing. For POC (people of color) who see their idol make fun or not take their culture seriously, you will get made fun of. Recently, it has shown that fans of other groups will quickly make racist remarks about K-Pop idols. I have seen people making fun of some of the worst eras or years of certain races over just K-Pop.”

Another respondent reported more serious, hostile threats have been issued to fans that anger the larger community. Disagreement or having differing opinions is seen as a non-conforming action, which is taken personally by those in the brand community. As a result, the threats become less innocuous and more baneful:

"Then there is the doxxing^[14] and death threats. Death threats you can find in almost every fandom and people think it's normal. They think [it] is fine to tell someone to hurt themselves and will blame it on the person too. Doxxing ain't as bad but it's getting worse. Last year one fandom doxxed so many people for simple disagreeing. They will find a way to ruin your life all over K-Pop. Some will call into your job, your school, and even you. All simply because you said their idol isn't talented. That all eventually starts to get tiring and it's getting worse because K-Pop is getting bigger. It causes you to look at some of the idols wrongly, makes you feel less fan in it. Why be part of something like that?"

It is important to note that while there are serious issues with collective hive mind, cancel culture, and unwarranted hostility and toxicity within K-Pop brand communities, there are still K-Pop brand communities that do not emulate this behavior. One fan explains that while they were deterred from being part of one brand community due to fan behavior, they also experienced positive relationships in other fandoms/communities as well.

“I've distanced myself from guess and their fans due to the actions of some fans. For instance, being negative about competition on shows or constantly putting other groups down as a way to live their group up. I've also had the opposite with other fandoms. These

^[14] Doxxing: to search for and publish private or identifying information about a particular individual on the internet, typically with malicious intent.

fans tend to make lots of fun content, and have an overall positive relationship with other fandoms.”

The results from this study further support the themes identified in study 1, providing specific examples of deterrent actions that would cause a consumer’s brand engagement and loyalty to be negatively impacted by the brand community. Furthermore, the findings add more insight as to the underlying mechanisms that incited such changes in K-Pop brand communities, thus allowing for the perpetuation of toxic community culture. This insight is concerning, especially considering the results from hypotheses 1, 2, and 3 which re-affirm that brand communities are significant in affecting the relationship between firm-level marketing tactics and brand loyalty. For the time being, brand communities might be able to strengthen brand loyalty; however, as community culture becomes more toxic and the relationship dynamics between all players in the industry begin to sour, there exists the strong potential for the reverse effect to occur.

Findings Discussion

Convergence between Study 1 and 2

Both studies 1 and 2 yielded evidence to support the original hypothesis of this paper that the firm-level techniques gamification and exclusive ecosystem do indeed have a significant, positive relationship with brand loyalty. Furthermore, the results support the theory that gamification is a more reliable marketing technique than exclusive ecosystem in terms of building brand loyalty in the K-Pop industry. For study 1, the impact was measured qualitatively where the majority of interview participants agreed that gamification positively strengthened their brand loyalty. For study 2, the impact was measured quantitatively where gamification exposure proved to be significant in strengthening all 4 attributional measures of shared consciousness, moral responsibility, conative loyalty, and actionable loyalty.

Study 1 also pointed at the complexity of exclusive ecosystem as a marketing technique, which was further supported by quantitative findings from study 2. In study 1, only 12 participants agreed that this marketing tactic strengthened their brand loyalty. Additionally, compared to gamification, significantly more participants argued that this tactic acted opposite to its original intention and actually diminished their brand loyalty instead. Hypothesis 1 of study 2 further supported this notion that exclusive ecosystem is less effective than gamification in strengthening brand loyalty. Exclusive ecosystem exposure proved to be significant in strengthening brand community engagement and conative loyalty, but was not significant in strengthening actionable loyalty. This suggests that while this marketing tactic is impactful enough to develop a base sense of commitment, attachment, and repurchase intentions in consumers, it cannot motivate the same active loyalty in consumers that gamification can.

Lastly, study 1 and 2 both qualitatively prove that negative emotions and associations with the brand community typically stem from toxic community culture. From both the participants in study 1 and respondents who reported un-involvement in the brand community from study 2, the majority provided the same reason; they felt antagonized, threatened, and annoyed by certain behaviors of community members, thus either prompting them to leave the community or deterring them from even entering the community in the first place. This suggests that the current dynamic within brand communities in the K-Pop industry are changing as a result of growing toxicity within the community, allowing improper behavior such as cancel culture to spread throughout the communities.

This change is further exacerbated by the collective hive mind; a personalizing trait of the K-Pop industry. One potential reason for this is due to the rapid global expansion of Hallyu Wave, especially into online communities and into Western media where behavior such as cancel culture was founded and is particularly prominent. With this in mind, it is imperative for firms to not only consider what types of firm-level marketing tactics they choose to mediate through the brand community, but also how the outcome might be influenced as a result of changing dynamics within the community itself. Firms must be aware of how their brand community culture might change as a result of societal changes, such as the normalization of cancel culture, and how this negatively affects brand community engagement and brand loyalty. To effectively use brand community as a mediator of marketing tactics on brand loyalty, they should look to develop a strategy to either mitigate or compensate for such negative effects.

In conclusion, both studies support the hypothesis that brand community, when implemented in a way that encourages diversity and mobilizes all members of the community, can be a powerful tool for firms to increase the effectiveness of firm-level tactics on consumer brand

loyalty. Study 1 demonstrated that consumers are both consciously and subconsciously influenced by their surrounding brand community members, and that the persistent commentary on their level of consumption and purchase frequency eventually impact their brand loyalty. The study also proved that firm-level marketing tactics don't always achieve the desired effect when mediated through the brand community, a phenomenon previously described in this paper as the brand community paradox, which signifies that a brand community plays a significant role in how consumers perceive firm-level marketing tactics. In hypothesis 3 of study 2, gamification was also proven to be partially mediated through brand community involvement. This provides quantitative evidence to substantiate the claim that brand community can be an important and useful tool for firms to increase consumer brand loyalty. Thus, this re-emphasizes the importance of firms to actively maintain their existing brand communities as they can directly impact consumer brand loyalty.

Divergence of Study 1 and 2

Study 1 indicated that consumers perceive exclusive ecosystem as highly correlated with brand community engagement. However, the mediation analysis performed in study 2 yielded insufficient evidence to support the notion that the impact of exclusive ecosystem tactics on brand loyalty is mediated through brand community. Based on logical assumptions, it would be reasonable to conclude that exclusive ecosystem directly contributes to the building of brand community engagement as it focuses on increases a consumer's interaction with other consumers. Thus, it would be expected that this marketing tactic be mediated through the brand community. However, with contradicting results from study 2, it would be appropriate to conduct further studies across a bigger and more diverse sample size in order to verify this phenomenon.

Study 1 also indicated that while consumers generally perceive marketing tactics have a positive impact on strengthening brand loyalty, the opposite relationship applied between firm-level tactics and company loyalty. Participants agreed that marketing tactics generally made them feel more loyal to a brand; however, this loyalty does not extend to the companies themselves and, for some participants, even worsened their perception of the company. In the post-hoc analysis of study 2, however, findings showed that increased exposure to both gamification and exclusive ecosystem marketing tactics had a significant, positive effect on company loyalty. This directly contradicts the argument given by participants in study 1, which suggests the bifurcation between a consumer's conscious opinions and subconscious actions.

Limitations

Study 1

For qualitative study 1, limitations include the limited sample size, limited language offerings, and the interview format. Only a select sample of 20 participants were interviewed, representing only a small portion of K-Pop consumers. Thus, it could be possible that the observed themes do not hold true within the true population. Furthermore, participants were chosen on a volunteer, first-come-first-serve basis given that they passed the two screening questions. This could have potentially affected the diversity of the sample, as participants who reached out for an interview might have stronger opinions about the industry than a regular consumer. Secondly, despite K-Pop having multinational fandoms, the interviews were only offered to participants who could speak English. This created a restricted sample size of whom qualified to complete this survey and thus can be treated as a limitation to the study. Lastly, the interview was conducted remotely through Zoom, making it difficult to control for the environmental condition of the participant at the time of questioning. Participants might have been distracted or pressured by their environment, which might have potentially introduced some form of bias into their responses.

Study 2

For quantitative study 2, limitations include limited sample size and language offerings. As the study required that respondents be a current consumer of K-Pop, which despite its growing popularity is still considered a niche population, the survey had to be distributed through online brand communities instead of through big survey databases like MTurk. Thus, the survey was only able to accrue a total of 120 responses over the span of 3 weeks. Similar to study 1, given the survey was only offered in English, thus limiting survey respondents to those

with a certain level of English language skills. However, in order to observe a diverse array of inputs and to compensate for the aforementioned limitations, both study 1 and 2 were advertised across four different types of social media platforms to capture varying ages, genders, ethnicities, and geographic locations.

Future Research

The opportunities for future research based on the findings of this study include further exploration into the underlying mechanisms of brand communities. Based on both the qualitative and quantitative results, brand community involvement is significant in generating conative consumer brand loyalty. Additionally, further research should be conducted in order to understand why brand community is not significant in generating actionable loyalty, and what other factors would be salient in generating this type of brand loyalty. The research findings indicated that short-term frequency of content consumption proved significant, however it would be prudent to explore whether there are more sustainable marketing tools available to achieve the same effect.

To support the ethical concerns raised by participants about changing dynamics in brand communities negatively influenced by cancel-culture, further qualitative research should be conducted exploring whether brand communities should be left to continue growing organically or should be actively governed and, if so, by whom. Lastly, more research should be conducted exploring what are the main factors causing the brand community paradox identified in study 1, and whether these factors can be artificially manipulated by firms for their own benefit. Though it has not been determined exactly which factors push consumer loyalty a certain way, the current findings of this paper serve as the foundation to further explore 1) whether the same paradoxical effect is observed amongst other types of marketing tactics as well, and 2) whether manipulating variables in the brand community ecosystem has a significant effect on achieving a desired outcome.

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Appendix 1: Study 1 In-Depth Interview Questions

GENERAL EXPERIENCE

- 1) When and how did you get into K-Pop?
- 2) What groups do you bias?
- 3) How would you describe yourself as a fan? (ex. casual listener who only streams on Spotify, super fan who collects albums, goes to concerts, follows fan sites on Instagram/twitter, etc.)
- 4) Where do you typically interact with K-Pop content? (i.e., platforms like Instagram, Twitter, Tumblr, VLive, Allkpop, etc.)
- 5) What do you use these platforms to do? (i.e., interact with other fans, gain updates, create content)

FAN-TO-COMMUNITY ENGAGEMENT

- 1) How would you describe the K-Pop community (i.e., one big blob of fans, or more organized/systemized small subset groups)?
 - a) What are some terms that come to mind when thinking about K-Pop and the fandoms?
- 2) How would you describe the dynamic between the general K-Pop fan and the fandom community?
- 3) Is it different from western music industry? If so what, and why do you think this is happening?

FAN-COMPANY ENGAGEMENT

- 1) How would you describe your relationship, if any, with the Korean entertainment companies?
 - a) How would you describe the dynamic between the general K-Pop fan and the firm?
- 2) Have you noticed any company engagement strategies that you deem as effective, ineffective, or any marketing strategies that work in creating loyalty among fans - both emotionally and monetarily?
 - a) If not, what types of marketing tactics do you think would be effective?

GAMIFICATION

Definition: Gamification as a marketing strategy, according to Ohio University, is defined as a “customer-oriented games that have benefits that propel companies closer to reaching their objectives. They aid in collecting customer data, increasing engagement, boosting the company brand and promoting repeat business.”

- 1) Based on this definition, can you think of any moment where you have ever experienced, or witnessed the use of, gamification marketing strategies in K-Pop?
 - a) How did you feel about it?
 - b) If you haven't been involved, why not?
- 2) Who do you think is most likely to respond to marketing strategies such as gamification?
- 3) Do you think this strategy affects domestic vs. international fans differently?

- 4) In your opinion, what is the perceived effect of this strategy on brand community engagement?
 - a) Difference between those already in community vs. those not yet in community?
 - b) If there is an effect, would you consider it more positive or negative?
- 5) In your opinion, what is the perceived effect of this strategy on brand loyalty?
 - a) If there is an effect, would you consider it more positive or negative?

EXCLUSIVE ECOSYSTEM

Definition: Exclusive ecosystem building tactics are described as activities that generate feelings of belonging and exclusivity among consumers. It creates a sense of us and others between fans and non-fans.

- 1) Based on this definition, can you think of any moment where you have ever experienced, or witnessed the use of, exclusive ecosystem building marketing strategies in K-Pop?
 - a) How did you feel about it?
 - b) If you haven't been involved, why not?
- 2) Who do you think is most likely to respond to marketing strategies such as exclusive ecosystem building?
- 3) Do you think this strategy affects domestic vs. international fans differently?
- 4) In your opinion, what is the perceived effect of this strategy on brand community engagement?
 - a) If there is an effect, would you consider it more positive or negative?
- 5) In your opinion, what is the perceived effect of this strategy on brand loyalty?
 - a) If there is an effect, would you consider it more positive or negative?

Appendix 2: Study 2 Quantitative Questionnaire

Brand Loyalty in K-Pop Survey Questions

Hello! You are invited to take a 5-minute survey designed to understand the impact of specific marketing techniques commonly employed in the Korean music industry on consumer brand community engagement and brand loyalty. You will be asked to answer a series of questions related to your experience with K-Pop and feelings towards the artists and encompassing fan community(ies).

Please read the following questions carefully, and answer them to the best of your ability.

Thank you very much for your time and support.

1. Do you listen to K-Pop music?

- Yes
- No

2. Are you 18 years or older?

- Yes
- No

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from this survey at any point. It is very important for us to learn your opinions. Your survey responses will remain strictly confidential and be reported only in the aggregate. Any personal, identifiable information will be collected for the purpose of incentive distribution. Afterwards, such identity markers will be removed and destroyed before data analysis. If you have any questions or concerns, please contact me at snisa@umich.edu.

Please note that only one (1) entry per person is allowed. Please make sure to read the questions and responses carefully before submission.

Continuation of this survey onto the next page constitutes your consent to participate in this study. If you do not consent to the following terms above, please exit out from this window

3. How often did you listen to songs (hours) in the K-Pop genre over the last week?

- < 1
- 1-10
- 11-20
- 21-30
- 31+

4. How would you categorize yourself as a fan, on a scale of 1 (casual listener) to 5 (super fan)?

- Likert scale of 1 (casual listener) to 5 (super fan)

5. How many years have you been listening to K-Pop cumulatively (please round to # of years)?

- < 1
- 1-3
- 4-6
- 7-9
- 10+

6. How do you feel like your interest in K-Pop has changed over the years?

- Increased
 - i. Please explain your reasoning for the choice above: [open text block]
- Decreased
 - i. Please explain your reasoning for the choice above: [open text block]
- Fluctuated
 - i. Please explain your reasoning for the choice above: [open text block]
- Stayed the same

For the remaining questions, please use the following definitions to think through your response.

Fan community(ies): refers to a collection of individuals who share a common passion for a product or brand. In the scope of this survey, fan communities are either in-person or online groups that allow for the wide exchange of ideas, messages, and content related to K-Pop music and specific K-Pop groups or idols. Some common examples include but are not limited to discussion posting sites, stan Twitter, Instagram, Tumblr, Facebook, and websites like Allkpop.

Loyalty: the measure of positive association between a consumer and a brand or product. The degree to which you feel attached to the brand or product, including increased likelihood to recommend it and decreased likelihood to switch to a different brand or product.

7. Please name the top 3 K-Pop groups that you are a fan of:

- Group 1: [open text block]
- Group 2: [open text block]
- Group 3: [open text block]

8. How would you rate your loyalty to your favorite group(s) from 1 (extremely loyal) to 7 (extremely disloyal)?

- Likert scale of 1 (extremely loyal) to 7 (extremely disloyal)

9. How would you rate your loyalty to the group(s) fan community (i.e., fandom consisting of other fans)?

- Likert scale of 1 (extremely loyal) to 7 (extremely disloyal)

10. Please check all of the activities which you have participated in as a fan:

- Purchase K-Pop albums to collect all different album versions
- Purchase K-Pop albums to collect all the versions and/or a specific version of the randomized photocards/posters

- Participate in voting polls, winning badges, or leaderboard systems on K-Pop applications such as Choaedol (i.e., idol voting polls), Allkpop, or V-Live
- Participate in inter-fandom competitions (i.e., streaming YouTube views, streaming on music apps like Spotify or iTunes)
- Collect official fan merchandise and accessories (i.e., light sticks, concert apparel, anniversary "fan meet" packages, etc.)
- Collect and/or trade merchandise such as photocards with other K-Pop fans
- Create and/or publish original creative content about or for specific idol(s)/group(s) (i.e., videos, edits, memes, artwork, stories/fanfiction, etc.)
- Participate in lottery systems/buy packages where you can win K-Pop merchandise or experiences (i.e., fan signs, group photos, virtual calls, etc.)
- Other (please specify): [open text block]

11. The activities listed above increase my sense of engagement with my fellow fan members and fan community.

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

12. The activities listed above increase my sense of loyalty to the brand (i.e. the K-Pop group).

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

13. The activities listed above increase my sense of loyalty to the entertainment company itself (i.e. JYP, SM, etc.).

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

14. Please check all of the activities in which you have participated or are participating in as a fan:

- Join and interact regularly with K-Pop fan community on social media, including but not limited to Twitter, Instagram, Tumblr, Allkpop, etc.
- Participate in fan-organized events and special projects for idols (i.e. birthday projects, anniversary projects)
- Actively watch exclusively released K-Pop content such as V-Live streams, member/group-specific "fancams", etc.
- Use specific "K-Pop terms" in conversation with other fans (i.e., bias, visual, maknae, fan chant, idol, sasaeng, big 3, etc.)
- Represent or recognize specific idol(s)/group(s) through the use of a fandom color (i.e., neon-green for NCT, silver-gray for BTS)
- Participate in interactive and/or exclusive messaging K-Pop applications such as Weverse or Dear U. bubble
- Memorize or recognize fan chants associated with specific idol(s)/group(s)
- Attended K-Pop specific events (i.e., K-CON, K-Pop music shows, award shows, etc.)
- Other (please specify): [open text block]

15. The activities listed above increase my sense of engagement with my fellow fan members and fan community.

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

16. The activities listed above increase my sense of loyalty to the brand (i.e. the K-Pop group).

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

17. The activities listed above increase my sense of loyalty to the entertainment company itself (i.e. JYP, SM, etc.).

- Likert scale from 1 (extremely agree) to 7 (extremely disagree)

18. Are you or have you ever been actively involved in the K-Pop fan community?

- Yes

- i. If yes, do you feel like your involvement with the fan community has affected your loyalty to your favorite idol(s) and/or group(s)?

- 1. Please explain the way(s) in which your loyalty has been either positively or negatively impacted by your involvement with the fan community: [open text block]

- No

- i. Please explain: [open text block]

19. Please read through the following statements carefully. Rank your agreement with the statement on a scale of 1 (extremely agree) to 7 (extremely disagree).

- Having conversations with people in the fan community who share the same views about (insert group name from Q7 here) is important to me.
- Being a part of this fan community makes me feel more connected to (insert group name from Q7 here).
- Being a part of this fan community makes me feel more connected to other fans of (insert group name from Q7 here).
- I hope to help (insert group name from Q7 here) through my participation and expression in the fan community.
- I can always be myself when interacting with others in the (insert group name from Q7 here) fan community.
- My passion for (insert group name from Q7 here) makes me want to participate in the fan community.
- I like to share my experience and knowledge with others in this fan community to help them be more educated about (insert group name from Q7 here).
- I participate in this fan community because I care about (insert group name from Q7 here).
- (insert group name from Q7 here) is more than just a mere music group.
- I would stan an alternate group if they released more songs, faster than (insert group name from Q7 here).

- I care a lot about (insert group name from Q7 here).
- I consider myself to be highly loyal to (insert group name from Q7 here).
- If I saw a new group being released with an interesting and unusual concept, I would investigate it.
- If I could do it over again, I'd choose an alternate group to follow/stan other than (insert group name from Q7 here).
- I would choose to listen to (insert group name from Q7 here) whenever I feel like listening to music.
- I would recommend my friends to check out and listen to (insert group name from Q7 here).

20. Please select your age range:

- 18-23
- 24-29
- 30-35
- 36+
- Prefer not to say

21. Please select your gender identity

- Man
- Woman
- Non-binary/third gender
- Prefer not to say

22. Please select your ethnicity(ies):

- Caucasian
- African-American
- Latino or Hispanic
- Asian
- Native American
- Native Hawaiian or Pacific Islander
- Other/Unknown
- Prefer not to say

23. Please select your current geographic location:

- North America/Central America
- South America
- Europe
- Africa
- Asia
- Australia
- Caribbean Islands
- Pacific Islands
- Other: _____
- Prefer not to say

Appendix 3: Sample Brand Community Survey Questions

Table 4
Scale items, descriptive statistics, and factor loadings for the short form version of the scale.

Factor item	Study 4 – establishing scale				Study 5 – validating scale			
	Range	Mean	SD	λ	Range	Mean	SD	λ
<i>Brand influence (Study 4: CR = .87; Study 5: CR = .84)</i>								
1. I am motivated to participate in this brand community because I can help improve the brand and its products	1–11	7.02	2.84	.91	4–11	9.64	1.49	.94
2. I like to know that my comments and suggestions can influence the brand and its products	1–11	7.35	2.78	.84	–	–	–	–
3. Increasing the influence I have on the brand and its products makes me want to participate more in this brand community	1–11	6.98	2.75	.89	2–11	9.37	1.63	.84
4. I hope to improve the brand or product through my participation and expression in this brand community	1–11	7.18	2.79	.91	4–11	9.75	1.45	.90
<i>Brand passion (Study 4: CR = .87; Study 5: CR = .88)</i>								
1. I am motivated to participate in this brand community because I am passionate about the brand	1–11	8.75	2.20	.91	1–11	8.39	2.16	.95
2. I participate in this brand community because I care about the brand	2–11	8.90	2.12	.89	1–11	8.88	1.88	.87
3. I would not belong to a brand community if I did not have passion for the brand	1–11	8.79	2.31	.81	–	–	–	–
4. My passion for this brand's products makes me want to participate in this brand community	1–11	8.76	2.25	.89	1–11	8.45	2.09	.95
<i>Connecting (Study 4: CR = .78; Study 5: CR = .82)</i>								
1. Increasing the strength of the connection I have with this brand community makes me want to participate more in the community	1–11	7.89	2.17	.90	2–11	8.92	1.79	.88
2. Being part of this brand community makes me feel more connected to the brand	1–11	8.41	1.91	.74	4–11	9.37	1.63	.88
3. Being part of this brand community makes me feel more connected to other consumers of the brand	1–11	8.53	1.92	.82	2–11	8.89	1.91	.85
<i>Helping (Study 4: CR = .86; Study 5: CR = .84)</i>								
1. I like participating in the brand community because I can use my experience to help other people	1–11	7.58	2.46	.82	2–11	9.06	1.73	.87
2. I like to share my experience and knowledge with others in this brand community to help them be more educated about the brand	1–11	7.74	2.39	.82	–	–	–	–
3. I really like helping other community members with their questions	1–11	7.85	2.40	.91	2–11	8.84	1.82	.92
4. I feel good when I can help answer other community member's questions	1–11	8.34	2.29	.90	3–11	9.19	1.71	.90
<i>Like-minded discussion (Study 4: CR = .86; Study 5: CR = .85)</i>								
1. I look forward to discussing my opinions about the brand with others who share the same interest as me	1–11	8.12	2.35	.87	1–11	8.88	1.88	.89
2. I enjoy conversing with people similar to myself in this brand community	1–11	8.37	2.16	.86	–	–	–	–
3. I look to this brand community when I want to discuss a topic with people who have similar interests	1–11	7.99	2.64	.85	1–11	8.37	2.14	.90
4. Having conversations with people in this brand community who share the same views about this brand is important to me	1–11	7.51	2.45	.87	1–11	8.36	2.16	.92
<i>Rewards (Hedonic) (Study 4: CR = .87; Study 5: CR = .87)</i>								
1. I like participating in this brand community because it is entertaining	1–11	8.29	2.23	.91	2–11	8.95	1.71	.92
2. Having fun is my main reason for participating in this brand community	1–11	7.58	2.71	.83	–	–	–	–
3. I participate in this brand community because I think it is fun	1–11	8.44	2.22	.89	2–11	8.94	1.78	.89
4. I find participating in this brand community to be very entertaining	1–11	8.17	2.18	.88	1–11	8.73	1.90	.95
<i>Rewards (utilitarian) (Study 4: CR = .82; Study 5: CR = .78)</i>								
1. I am motivated to participate in this brand community because I can earn money	1–11	2.83	2.84	.91	1–11	8.15	2.76	.94
2. If it weren't for the money, I wouldn't participate in this brand community	1–11	2.47	2.42	.89	1–11	5.46	3.06	.58
3. Receiving more money makes me want to participate more in this brand community	1–11	3.62	3.28	.78	1–11	8.41	2.77	.89
<i>Seeking assistance (Study 4: CR = .88; Study 5: CR = .89)</i>								
1. I am motivated to participate in this brand community because I can receive help from other community members	1–11	7.86	2.49	.90	1–11	7.76	2.42	.95
2. I am motivated to participate in this brand community because community members can use their knowledge to help me	1–11	8.09	2.50	.90	1–11	8.07	2.31	.94
3. I like participating in this brand community because it gives me an opportunity to receive help from other community members	1–11	7.95	2.47	.94	1–11	8.00	2.37	.94
4. It is important to me to be able to use this community to find answers to my questions about the brand	1–11	8.23	2.42	.83	–	–	–	–
<i>Self-expression (Study 4: CR = .86; Study 5: CR = .85)</i>								
1. I feel that I can freely share my interests in the brand community	2–11	8.78	1.96	.89	5–11	9.78	1.49	.93
2. I would express any opinion or idea I had about this brand in this brand community	1–11	8.64	2.28	.85	–	–	–	–
3. I can always be myself when interacting with others in this community	1–11	8.55	2.32	.86	3–11	9.73	1.57	.90
4. This community makes it easy for me to express my true beliefs about the brand	1–11	8.74	2.08	.87	4–11	9.75	1.48	.89
<i>Up-to-date information (Study 4: CR = .86; Study 5: CR = .84)</i>								
1. This brand community is my critical connection for new and important information about the brand and its products	1–11	8.60	2.26	.86	1–11	8.24	2.31	.91
2. When I want up-to-date information about this brand, I look to this brand community	1–11	8.95	2.15	.89	1–11	8.24	2.33	.89
3. This community keeps me on the leading edge of information about the brand	1–11	9.00	1.98	.85	–	–	–	–
4. This community is the best way to stay informed about new developments with this brand	2–11	8.86	2.11	.88	1–11	8.68	2.19	.89
<i>Validation (Study 4: CR = .85; Study 5: CR = .85)</i>								
1. Receiving more affirmation of the value of my comments, makes me want to participate more in the brand community	1–11	8.00	2.31	.77	–	–	–	–
2. I feel good about myself when other community members share my ideas	1–11	8.00	2.10	.91	1–11	8.71	1.94	.91
3. I appreciate when others agree with the ideas I express in this brand community	1–11	8.26	2.12	.85	2–11	8.83	1.83	.90
4. When others support my ideas and opinions in this brand community, I feel better about myself	1–11	7.54	2.30	.87	1–11	8.35	2.18	.90

Note: All scales measured on a 0–10 Likert-type scale with anchors 0 = Strongly Disagree and 10 = Strongly Agree. Prior to analysis all values were recoded to a 1–11 range, which is presented in all results tables. CR = Construct Reliability.

Citation: Baldus, B. J., Voorhees, C., & Calantone, R. (2015). Online brand community engagement: Scale development and validation. *Journal of Business Research*, vol.68(5), 978-985.

Appendix 4: Sample Brand Loyalty Survey Questions

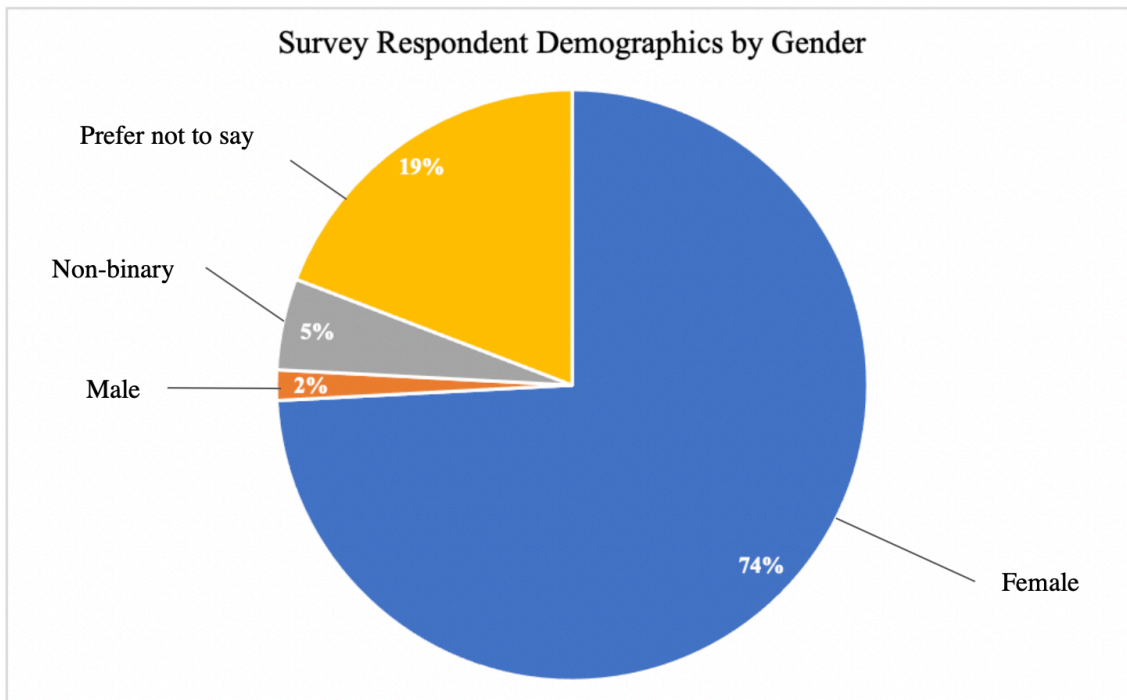
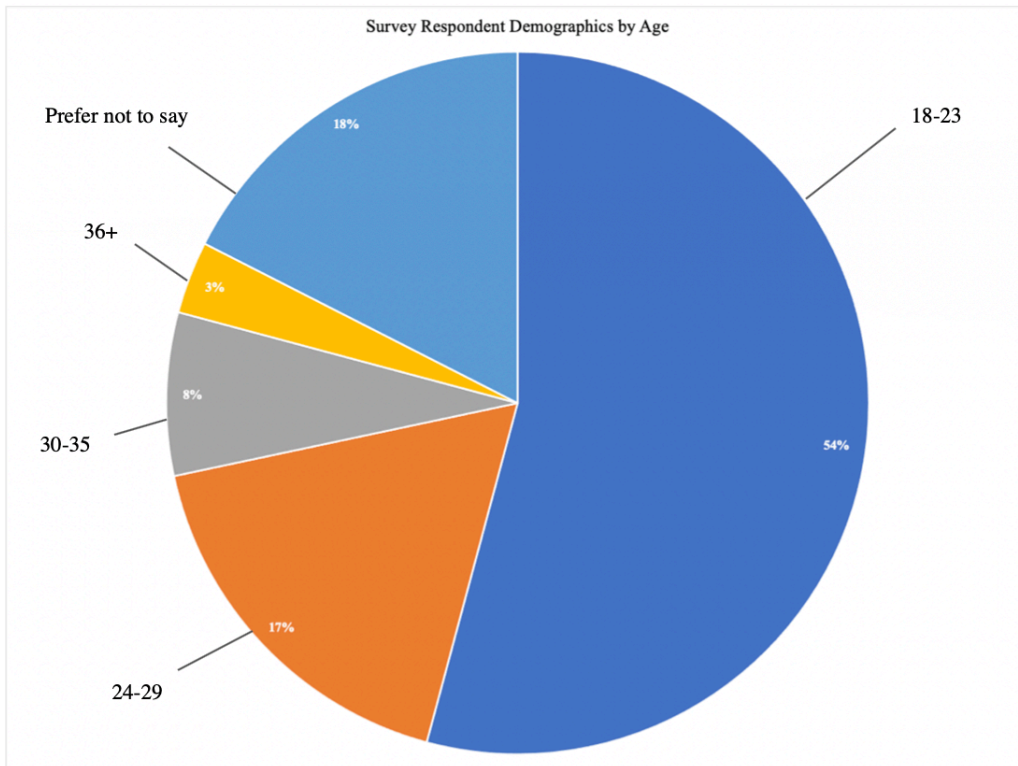
Table 2: Pilot loyalty scale

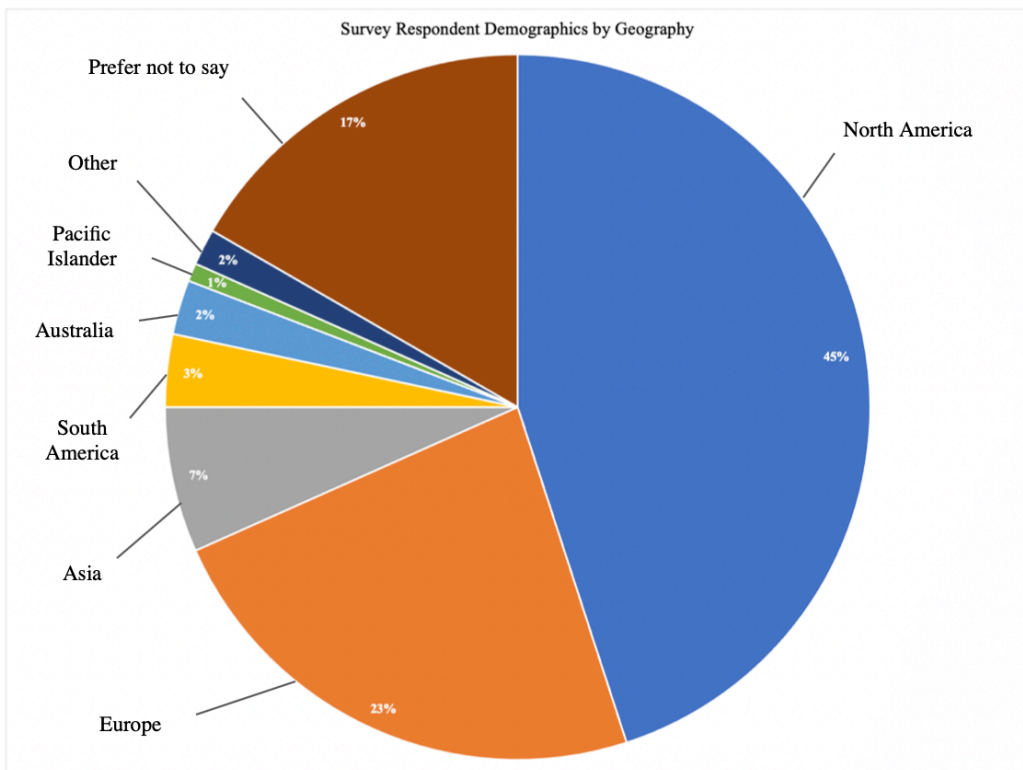
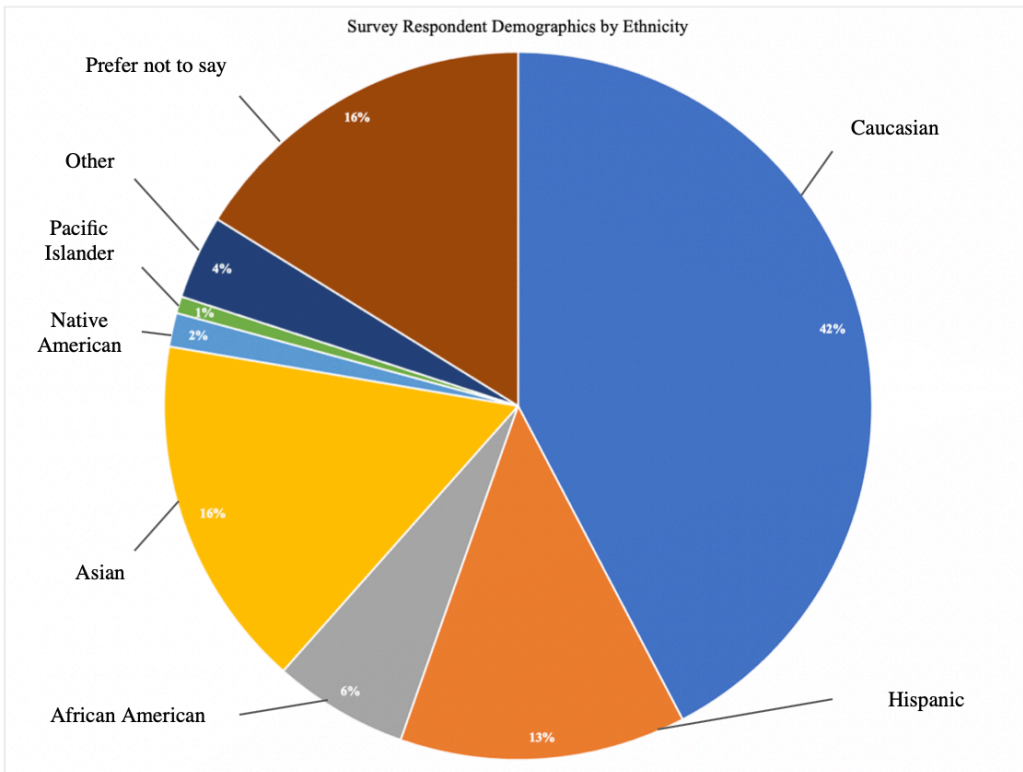
C.1	I understand the features of Restaurant X well enough to evaluate it against other restaurants	1 2 3 4 5 6 7
C.2	It is important that when choosing to eat out, I make the right choice of restaurant	1 2 3 4 5 6 7
A.3	Restaurant X is a restaurant that interests me	1 2 3 4 5 6 7
C.4	When deciding on a restaurant, I am not interested in bargain-seeking	1 2 3 4 5 6 7
C.5	When choosing a restaurant, I compare prices of different restaurants to be sure I get the best value for money	1 2 3 4 5 6 7
C.6	Restaurant X has up-to-date equipment	1 2 3 4 5 6 7
C.7	Restaurant X's facilities are visually appealing	1 2 3 4 5 6 7
A.8	Restaurant X is exactly what I need from a restaurant	1 2 3 4 5 6 7
A.9	Restaurant X as a choice of restaurant has not worked out as well as I thought it would	1 2 3 4 5 6 7
AC.10	If I could do it over again, I'd choose an alternative restaurant to Restaurant X	1 2 3 4 5 6 7
CO.11	I truly have enjoyed dining in Restaurant X	1 2 3 4 5 6 7
A.12	Restaurants should not be expected to give customers individual attention	1 2 3 4 5 6 7
A.13	Restaurant X is a restaurant that I could talk about for a long time	1 2 3 4 5 6 7
A.14	I have a preference for Restaurant X in this locality	1 2 3 4 5 6 7
CO.15	Restaurant X is more than a mere restaurant	1 2 3 4 5 6 7
CO.16	I would try an alternative restaurant if it was 25% less expensive than Restaurant X	1 2 3 4 5 6 7
CO.17	I would try an alternative restaurant if the alternative restaurant offered increased facilities than Restaurant X	1 2 3 4 5 6 7
CO.18	I would change restaurant if the alternative offered increased status	1 2 3 4 5 6 7
CO.19	I would change restaurant if the alternative's staff were more friendly	1 2 3 4 5 6 7
AC.20	When I see a new restaurant somewhat different from the usual, I investigate it	1 2 3 4 5 6 7
AC.21	I usually dine in the same restaurant within a locality	1 2 3 4 5 6 7
A.22	Dining in Restaurant X says a lot about who I am	1 2 3 4 5 6 7
CO.23	I care a lot about Restaurant X	1 2 3 4 5 6 7
CO.24	I consider myself to be highly loyal to Restaurant X	1 2 3 4 5 6 7
CO.25	I would get tired of eating in Restaurant X every time I eat out	1 2 3 4 5 6 7
AC.26	When I go to a restaurant, I feel it is safer to order dishes I am familiar with	1 2 3 4 5 6 7
AC.27	If I like a restaurant, I rarely switch from it just to try something different	1 2 3 4 5 6 7
AC.28	I get bored with buying the same brands even if they are good	1 2 3 4 5 6 7

1 = strongly disagree, 2 = moderately disagree, 3 = disagree, 4 = no opinion, 5 = agree, 6 = moderately agree, 7 = strongly agree, C = cognitive item, A = affective item, CO = conative item, AC = action

Citation: McMullan, R., & Gilmore, A. (2003). The conceptual development of customer loyalty measurement: A proposed scale. *Journal of Targeting, Measurement and Analysis for Marketing*, vol. 11(3), 230-243.

Appendix 5: Study 2 Survey Demographics





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